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**ANNUAL REPORT ON
THE TRADE OF NORTH FORMOSA
1886-1909**

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CHINA.

REPORT FOR THE YEAR 1886
ON THE
TRADE OF TAMSUI (FORMOSA).

REFERENCE TO PREVIOUS REPORT [C. 4658] China, No. 2, 1886.

Presented to both Houses of Parliament by Command of Her Majesty,
MAY, 1887

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Reference to previous Report [C. 4658], China No. 2, 1886.

CHINA.

TAMSUI (FORMOSA).

Consul Giles to the Marquis of Salisbury.

My Lord, *Her Majesty's Consulate, Tamsui, March 1, 1887.*

I HAVE the honour to enclose my report on the trade in foreign vessels at the ports of Tamsui and Kelung during the year ended on December 31, 1886.

I have, &c.
(Signed) H. A. GILES.

Trade Report at Tamsui and Kelung during the Year 1886.

Last year's value of trade for this port reached the unprecedented Commerce total of 4,537,465 taels. This year shows a total value of no less than and shipping. 5,462,503 taels, being an increase of nearly 1,000,000 taels.

								Taels.
Foreign imports	..	..	..	..	..	..	..	1,516,614
Chinese	..	..	..	..	..	..	..	533,944
Total imports	..	..	..	..	..	..	..	2,050,558
„ exports	..	..	..	..	..	..	..	3,411,945
Total value	..	..	..	..	..	..	..	5,462,503

The net total importation of opium has further increased from 1,440 piculs in 1885 to 1,632 piculs in 1886.

The imports generally were thus distributed:—

								Taels.
Foreign goods—								
From Straits Settlements..	..	..	..	..	..	..	..	1,463
Japan and Philippine Islands	..	..	..	..	..	..	..	583
Hong Kong..	..	..	..	..	..	..	..	1,200,792
Treaty ports	..	..	..	..	..	..	..	313,776
Total	..	..	..	..	..	..	..	1,516,614
Native goods—								
From treaty ports..	..	..	..	..	..	..	..	306,926
Hong Kong..	..	..	..	..	..	..	..	227,018
								533,944
Total imports	..	..	..	..	..	..	..	2,050,558

The exports generally were thus distributed :—

						Taela.
To Hong Kong for foreign countries	..	..	..	..	..	38,513
Treaty ports direct	..	..	..	..	..	8,373,432
Total exports	..	..	..	..	..	8,411,945

The tonnage of the port was shared according to the following table of percentages :—

Ports.	Tonnage Employed.	Total Foreign and Coast Trade.	Duties on Cargo.	Tonnage Dues.
British	86.17	87.96	82.16	51.80
German	26.91	11.67	10.67	80.32
Chinese	05.45	00.21	00.02	11.20
American	01.06	00.20	00.14	..
Danish	00.41	00.01	00.01	06.68
Total	100 00	100.00	100.00	100.00

The export of tea has slightly decreased, showing a total of 16,171,600 lbs. for 1886 against 16,364,000 lbs. for 1885. But it must be borne in mind that the export for 1885 exceeded that of any previous year by over 3,000,000 lbs.

Comparative tables showing the details of the import and export trades for the years 1882-1886 are annexed.

General.

1886 has left its mark upon the history of Tamsui. The long talked-of cable contract has at length been definitely undertaken by a British firm, and in a few months Formosa will be in telegraphic communication with the outer world.

Of this move it is difficult to forecast the results. It is, in fact, only the moiety of a scheme; the remainder of which, if carried out, would connect Twatutia, the seat of the Formosa tea-market, by railway with the fine harbour of Kelung. Then, it is anticipated, ocean steamers would load at Kelung for America direct; and Amoy would have to fall back upon its own scanty resources.

Such, at any rate, is the scheme of the present enterprising Governor; and if he remains in office, there is every probability that it will be ultimately accomplished. As a preliminary step he is laying down a good carriage road, which he proposes to extend from Twatutia to Kelung, and a number of jinrickshas, not to mention several private carriages, have been imported from Shanghai.

The past season has been in many respects a trying one for the Governor. Much time has been lost in "pacifying" the savages, who, as they recede gradually farther into the interior, are dyeing every inch of lost territory with the blood of their hated enemies. Their mode of procedure is characteristically savage. After a glut of fighting, the chiefs of several tribes arrange terms of peace, which generally include cession of acres on the one part and gimcrack presents on the other. Perhaps a few of the more unwarlike savages are induced to shave their heads and wear false queues. Then ensues a period of peace. The woodcutter pushes venturesomely afield over the savage boundary, and the "braves" of the Chinese encampments substitute opium and dice for long night vigils on the hillside. The next thing we hear is that the savages have made a raid, the extent of which is

gauged by the number of missing heads. Then troops are moved rapidly to the frontier, and the work of pacification begins again.

On one occasion during the past autumn the aspect of affairs was very serious. The savages succeeded in cutting off and surrounding a portion of the Chinese forces. Many of these were killed, and the general in command was shot through the cheek; and but for the timely arrival of the Governor in person, at the head of a large body of troops, it is probable that not a man would have escaped.

During the struggle the garrison at the Pescadores was drained to supply men. The garrisons here had been much reduced by disease, especially malarial fever, the curse of North Formosa. The daily death rate ranged very high, reaching a maximum record of 26, or just about 2 per cent. At this point the Governor interfered, stopped all work, and gave the soldiers a complete holiday.

For the moment we are enjoying an interval of peace. No less than 150 savages recently visited the Governor, and received each a present of 2 dol.

The administration of Formosa is still in a state of transition, being not yet absolutely separated from that of the Fokein province. To make this island, or at any rate the Chinese-owned portion, into a province of the Chinese empire, it is necessary to take cognisance of its measurements with a view to due assessment of the annual land-tax payable to the throne. Hitherto, neither this tax nor even the ordinary octrois have been collected from farmers and merchants in Formosa. And until the establishment of the foreign customs, import and export duties were alike unheard-of. Immunity from taxation of all kinds was the premium on settling in this extra-imperial wilderness.

The result is that great resistance has been offered by those enjoying such privileges to the efforts of the mandarins to bring the administration of Formosa into uniformity with that of the empire generally. Attempts to measure property and collect taxes have been frustrated, and in some cases actual violence has been used. The final issue is, however, only a question of time.

The almost extinct camphor trade has recently been taken under the protection of the authorities as a Government monopoly, with probable advantage to all concerned. For whereas it has of late years been impossible to procure camphor in remunerative quantities at one time and in one place, the Government now undertakes to collect at fixed depôts the scattered supplies, paying at a certain rate to the producer and retailing at a fair profit to the merchant for export.

Sulphur, of which a considerable quantity is produced within easy distance of the port, may now be exported if covered by certificate from the customs.

Four steam launches, owned by Chinese, now ply daily backwards and forwards between Hobei and Twatutia. A cargo-boat company has also been started by foreigners, not without opposition on the part of the established junk-owners. The company expects to run as many as nine or ten large cargo-boats during the coming tea-season, with more to follow if successful.

The old-established steamer line of Douglas Lapraik and Co. has had to face another attempt to share the profits of the carrying trade. A quasi-official Chinese company was started here last season, under the promised patronage of several large Chinese tea merchants, with the desirable object of lowering freights. This object they certainly succeeded in accomplishing, but at the price of all the small capital, 40,000 taels, upon the strength of which the opposition was launched. The company wound itself up in a summary way. All its books,

including a debit balance—in fact, its whole documentary existence—perished in the recent wreck of the “Wan-nien-ch’ing.”

Of a much more vexatious character was the following interference with legitimate business. To meet the requirements of this port, with its shallow entrance and dangerous bar, Messrs. Douglas Lapraik and Co. built a special steamer, which was in every way perfectly adapted for the trade. On one of its earliest trips across to Amoy a Chinese passenger was missing, and from that moment the success of the steamer was for the time being doomed. A cry was raised that there was a “green devil” on board, and not a Chinese passenger would ship by her, preferring to wait for inferior and much more uncomfortable vessels rather than risk an interview with the dreaded bogie.

Of course the opposition profited considerably, Messrs. Douglas Lapraik and Co. being actually obliged to take off this particular steamer and give time a chance to set the public mind at rest. Luckily they were able to put her on a line where they have no opposition, and where it will be choice for superstitious passengers between the “green devil” or a junk.

The following case should be of interest to the banking community. A well-known Chinese merchant bought from a British firm at Twatutia a draft on Hong Kong for 10,000 dol., payable to order. The buyer, on receiving his draft, duly enclosed it in a letter to his own constituent in Hong Kong, and then handed it to the compradore of the British firm, requesting that the letter might be forwarded with the rest of the firm’s mail. After a certain interval the buyer presented himself again at the hong, and said that the letter containing the draft had been lost; and not only that, but the draft had been presented at the bank and cashed. He therefore held the firm responsible, and asked for a renewal of his draft. The firm of course refused to see the matter in this light, and advised him to apply to the bank in Hong Kong for his money; but this he on his part declined to do. Then finding he could not raise an action against the British firm, he determined to press the matter in the Chinese courts against the compradore of the firm. Here, however, he encountered certain difficulties upon which he had evidently never calculated; the upshot being that the matter was allowed to drop, no effort being made to recover the money against the bank in Hong Kong.

The note had indeed been presented and cashed. It was payable to a Chinese firm which, in default of Chinese characters, I will call Ning and Co. It was endorsed Niug and Co.; that is to say, a character had been used for the endorsement which was not that of the style of the payee, but so closely resembling it that even the sharp eye of a Hong Kong bank shroff was deceived, and the money handed over to the wrong person. Thus, in case of detection, there would have been no risk of a prosecution for forgery. The fraudulent Ning and Co. would have pleaded that they were expecting drafts from Tamsui, and were equally deceived by the similarity of the two styles. Meanwhile, as no steps have been taken to recover from the bank, the whole thing seems to have been a quiet attempt to get a draft for 10,000 dol. paid twice over.

COMPARATIVE Table of the Import Trade for the Years 1882 to 1886.

Description of Goods.	Classifier of Quantity.	1882.	1883.	1884.	1885.	1886.
Cotton goods—						
Shirts, grey	Pieces ...	31,315	45,669	36,738	48,940	48,510
" white	" ...	32,312	45,366	38,572	58,158	40,639
" assorted	" ...	16,068	17,413	21,078	56,909	57,376
Woolen goods—						
Camlets, English	" ...	2,261	2,576	1,835	2,589	2,854
Long ells	" ...	1,611	1,123	1,058	2,169	2,056
" " assorted	" ...	2,646	2,923	2,105	5,974	7,925
Metals—						
Iron nail, rod	Piculs ...	820.13	544.68	1,070.62	646.91	1,119.30
Lead, in pigs	" ...	7,204.59	8,345.97	9,707.70	8,401.90	10,580.80
Tin, in slabs	" ...	169.00	120.75	138.09	180.09	163.55
Opium—						
Benares	" ...	883.16	572.11	492.36	375.87	363.09
Patna ... ..	" ...	...	3.60	26.40	2.40	7.29
Persian	" ...	576.67	468.49	380.21	302.32	104.67
Turkey	" ...	184.49	234.53	413.16	830.08	1,207.84
Native	" ...	1.50	...	0.50	4.99	...
Sundries—						
Cotton yarns and thread	" ...	260.15	475.13	344.39	606.14	848.17
Cuttle fish	" ...	1,298.00	2,414.25	1,072.17	2,073.01	2,870.36
Grass cloth, coarse	" ...	428.61	113.84	137.67	194.77	171.48
" fine	" ...	204.11	137.68	226.28	154.71	231.89
Lily flowers, dried	" ...	1,404.89	1,295.40	1,305.57	1,579.35	1,881.99
Medicine	" ...	885.34	905.81	960.53	1,738.10	1,904.11
Nankins	" ...	128.78	397.29	483.40	870.93	632.73
Paper, first quality	" ...	1,055.18	751.82	742.22	1,308.76	1,447.40
Prawns, dried	" ...	2,572.93	2,069.41	1,962.17	2,155.14	2,922.39
Silk piece goods	" ...	25.59	19.07	35.30	60.47	93.18

COMPARATIVE Table of the Export Trade for the Years 1882 to 1886.

Description of Goods.	Classifier of Quantity.	1882.	1883.	1884.	1885.	1886.
Agar-agar	Piculs ...	793.63	1,922.05	1,288.85	1,961.68	1,496.52
Camphor	" ...	4,933.84	2,086.24	443.47	3.14	964.35
Coal	Tons ...	42,202	31,818	30,933	5,767	16,659
Hemp	Piculs ...	230.94	105.84	6.60	67.65	71.08
Pitch paper	" ...	91.26	139.03	59.62	103.06	74.33
Battans	" ...	52.80	...	91.50	...	1,847.83
Sugar, brown ... ..	" ...	...	780.54	131.00	600.20	77.40
Tea, black	" ...	90,303.35	99,050.45	98,674.36	122,730.31	121,287.07
" stalk	" ...	103.88	174.94	100.08	318.80	104.31
Timber—						
Planks, camphor wood	Pieces ...	8,062	4,036	8,380	2,978	7,779
" hard	" ...	2,130	3,293	1,667	338	1,711

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1889.

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509. Colonia	1d.	567. Roustchouk and Philippopolis	1d.
510. Marseilles	1d.	568. Stockholm	1d.
511. Kinkiang	1d.	569. Tonga	1d.
512. Buda Pesth	2d.	570. Chicago	1d.
513. Wanchow	10d.	571. Adana	1d.
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Reference to previous Report, Annual Series No. 283.

CHINA.

TAMSUI.

Acting-Consul Bourne to the Marquis of Salisbury.

My Lord,

Tamsui, April 20, 1889.

I HAVE the honour to forward herewith my Report on the Trade of Tamsui and Kelung for the year 1888.

I enclose with it a map to illustrate the Report, and two samples of silk.*

I have, &c.
(Signed) FREDK. S. A. BOURNE.

Report on the Trade of the Ports of Tamsui and Kelung for the Year 1888.

The total net value of the trade of Tamsui and Kelung during the last three years has been as follows:—

Improvement
considerable
but not great.

Years.				Value.
				£
1886	..	..	..	1,283,187
1887	..	..	..	1,354,495
1888	..	..	..	1,369,381

This slight advance in 1888 over 1887 does not measure fairly the increase in the volume of trade, a very much lower value having been given this year to tea in the customs returns, as will be explained below. The advance has been considerable, but not as great as those who believe in the resources and the future of this island might expect. The year has, on the whole, been satisfactory to all interested.

SHIPPING.

Annex A shows that there is an advance in the gross tonnage visiting the port of 23 per cent. on the figures of 1887, but this is due for the most part to the larger number of sailing vessels

Increase in
shipping.

* The samples of silk have been sent to the Macclesfield Chamber of Commerce.
(709)

employed chiefly in bringing heavy material, iron rails, hard wood, cement, &c., required for the railway and the other improvements that the Governor has in hand.

British steam tonnage, the most important item, shows a satisfactory advance of 15 per cent.

German
competition.

The German competition with our tea carriage between this and Amoy has failed, as did that of the China Merchant Company; but a German steamer has been running between these ports and Shanghai for the greater part of the year. The trade at present is, perhaps, scarcely sufficient to give a steamer full employment, but it is certain to increase largely, and it seems a pity that British merchants should leave this promising trade to fall into foreign hands. The share in the carrying trade from and to North Formosa, taken by the various nationalities represented, was in the following proportion, viz.:—

					Per cent.
Great Britain	..	..	..	..	92
Germany	..	..	..	..	6
China	..	..	..	..	1½
United States	..	..	..	..	½

Formosa
Trading
Company.

The shipping event of the year was the arrival from England of two steamers built there for the Formosa Trading Company, a society organised by the Governor of the island, His Excellency Liu Ming-ch'uan, on the advice of a former manager of the China Merchant Steam Navigation Company. The object of the company was said to be to develop the resources of this island, but probably the real intention of its founders was to compete with the China Merchant Steam Navigation Company, and the two English companies allied with it, for the passenger traffic on the Yang-tze and between Shanghai and Tientsin. The China Merchant Company was strong enough, with the backing of His Excellency Li Hung-chang, to frustrate the latter scheme, and a compromise was arrived at by which the steamers were to be taken over by the China Merchant Company. This arrangement has hung fire for some months, during which time they have been run by the Governor in a spasmodic and unprofitable matter. The steamers, which were built in England at a cost of 59,000*l.* for the two, are badly suited for the purposes they were intended to serve; indeed, it is said that they cannot be made to serve profitably any purpose at all except at great cost. The Formosa Trading Company may be considered defunct; its failure seems only one proof amongst many that the Chinese are incapable of joint-stock enterprise, a subject on which more will be said later in this report.

EXPORTS.

Tea.

Tea, the only export worth mentioning from Northern Formosa, was exported, during 1888, to the extent of 18,099,200 lbs., worth, at the foreign customs valuation of 21½ taels a picul (9¼*d.* a lb.), 704,456*l.*

The amounts exported during the last three years have been as follows :—

Year.						Lbs.
1886	..	..	..	..	..	16,171,600
1887	..	..	..	..	..	16,858,933
1888	..	..	..	..	..	18,099,200

The new leaf began to arrive early in April, but little business was done till May. I learn, on good authority, that the crop was, on the whole, decidedly inferior to that of 1887 and previous years; nevertheless, high prices were paid both in Tamsui and Amoy up to the end of the season. Foreign buyers here, as elsewhere in China, complain of careless picking and making. While high prices rule for such an inferior product, there is little chance of the growers taking more trouble with their crop. But there is an increasing demand for Formosa tea in the United States, whither almost the whole export hence goes, and prices seem likely to keep up for some years to come. Foreigners do principally a commission business, but the Chinese must have made large profits during the year. Although the customs returns valued tea at 21½ taels a picul (9½d. a lb.) in 1888, against 26 taels a picul (11½d. a lb.) in 1887, prices paid in Amoy and in America were much the same for the two years.

The next export is coal:—

Coal.

Year.							Tons.
1888	..	..	..	..	..	..	26,639
1887	..	..	..	..	..	..	12,801

This increase scarcely measures the improvement in 1888 over 1887, because much more has been used in the island at the Governor's sawmill, arsenal, &c. This is another undertaking in which the joint-stock plan has been unsuccessfully attempted by the Chinese here. In the spring of 1888 a concession was obtained from the Governor, by one Tsêng Ping-hsün, on behalf of a joint-stock company, to be called the Kelung and Fêng-shan coal and timber superintendency (Fêng-shan is a district in the south of the island), the capital of which was to be 600,000 taels raised from Chinese in Hong Kong and Canton to monopolise the exportation of coal and wood in the island. But although the Governor granted the concessionaries liberal powers, investing the company with an official style, the undertaking has fallen through. The prospectus printed for circulation in Hong Kong and Canton is full of misrepresentations, and had the money been subscribed it would certainly have been lost.

Mr. H. C. Matheson, a young English engineer, who has been in charge of the mines for the last year, much increased the output and improved the demand for the coal in Shanghai and Hong Kong, but the Chinese would not give him the *carte blanche* as to methods and expenditure that alone could make a great success possible. But if this coal bed were worked entirely under foreign control with sufficient capital, I understand that there is no reason

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why 500 to 800 tons a day of as good coal as is mined in the far East should not be turned out. The following difficulties would have to be taken into account, however, by foreigners embarking in the enterprise, namely, rain water (the rainfall being very heavy), the broken and faulty nature of the strata, and the trouble of getting sufficient labour, as the people in the district suffer badly for the greater part of the year from malarial fever. Mr. Matheson has been put in charge of the railway, and the colliery has been handed over to a Chinese, who knows nothing about mining, and from whom nothing but failure can reasonably be expected.

Silk.

The Governor has endeavoured to plant the silk-rearing industry here, and with fair promise of success. The mulberry tree is indigenous in Formosa. Silkworms' eggs have been imported from Shanghai and Canton, and silk of good quality has been reeled this spring. The industry is certain to increase, and deserves the attention of British merchants. I enclose two samples of this year's silk.*

IMPORTS.

Imports
stationary.

There is not the increase that might be expected in cottons and woollens, the great staples of foreign import; and the same tale is told by native medicines and silk piece-goods, staples which generally give a fair idea of the numbers of the well-to-do classes in China. Munitions of war figure at 85,364*l.*, the value of Armstrong guns landed here and at Kelung during the year; cement at 9,509*l.*; and railway materials at 38,917*l.*—the last two items for the railway. Deducting these three items, the value of imports during 1888 falls below the figure for 1887.

MATERIAL IMPROVEMENTS.

The course of material improvement in the north of the island, on which the Governor, His Excellency Liu Ming-ch'uan, entered after peace had been made with France in 1885, has been pursued steadily, although perhaps with more zeal than judgment.

Saw-mills.

Steam saw-mills are working under the charge of a young Englishman, cutting 800 sleepers a day for the railway.

Electric light.

The new city of T'ai-pei Fu, the present capital of the island, situated 10 miles south-east from this port, is lighted every night by electricity, the apparatus being now in charge of native artificers only. A brick-making machine has been imported from England.

Forts.

Forts are being constructed at Tamsui and Kelung and at the Pescadores, armed with Armstrong guns of the latest pattern.

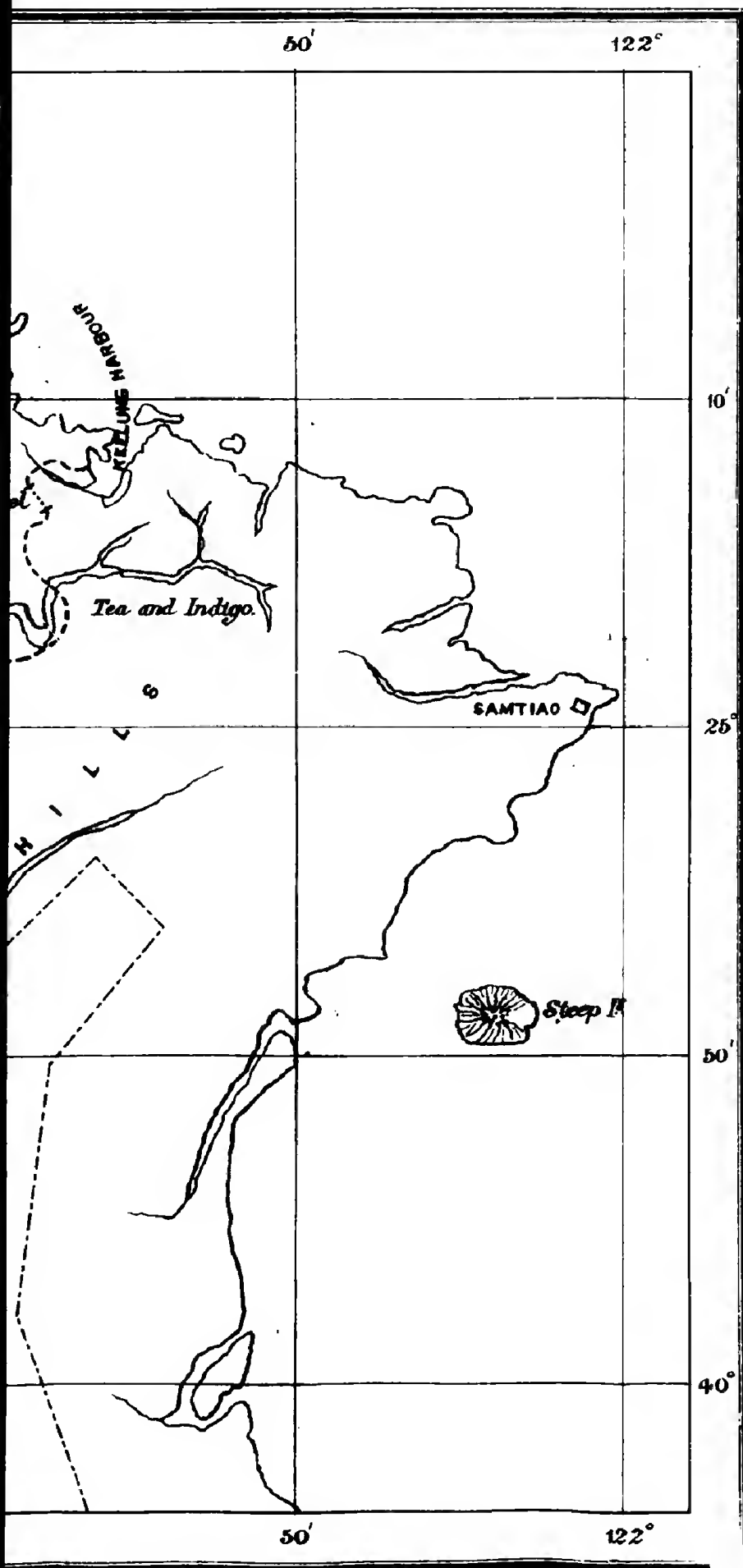
Arsenal.

An ammunition factory and arsenal have been built at T'ai-pei Fu, and is conducted under the able superintendence of a German officer.

English
school.

The Governor has opened a school under the charge of an English teacher, Mr. W. D. F. Hutchison, formerly a master in the central school in Hong Kong, with the object of training youths

* Sent to Macclesfield Chamber of Commerce.



to be interpreters in English, and telegraph and railway clerks; and he has put his own sons under Mr. Hutchison's tuition.

The accompanying sketch map will give some idea of the progress that has been made with the railway. This undertaking was proposed to the throne by the present Governor, after peace had been made with France, in conjunction with a reassessment and increase of the land tax referred to below, as a necessary measure if the island were to be made a separate province relying on its own resources for the cost of administration and defence. When the sanction of the Imperial Government had been obtained, capital was raised from public funds, and by shares taken by officials and others over whom the Governor had influence. But this capital was insufficient, and the undertaking has been managed in a hand-to-mouth manner at once expensive and ineffectual. The failure of all other undertakings in the island founded on the foreign joint-stock plan, that requires, it would seem, a higher morality than the Chinese, or, perhaps, it would be fairer to say, a social organisation differently constituted from theirs, destroyed confidence and made it impossible to raise more money by public subscription. The Governor therefore prayed the Peking Government to make the railway an imperial concern, and sanction has now been obtained to its being constructed from Kelung to Chang-hua from Imperial Government funds.

A new city is to be constructed at New Chang-hua (see map) as soon as the railway reaches that place, and it is to be made the capital of the island and residence of the Governor, T'ai-pei Fu in the north and T'ai-wan Fu in the south being prefectural cities.

The Governor's design is to make Kelung, the northern terminus of the railway, the port of the island, from which its great products—tea, sugar, coal, camphor, sulphur—should be shipped direct to foreign countries, dispensing with Amoy as an entrepôt of the trade. Could His Excellency carry out his plan, as a European Government would, there is no doubt that he would succeed, much to the advantage of the island. Unhappily his designs, so far, have been executed in a hand-to-mouth way, which makes it very improbable that he will fulfil quickly the conditions necessary before the trade, even of the north of the island, could cross over to Kelung from its present route, Tamsui and Amoy. Before ocean steamers could load for foreign countries in Kelung the harbour must be dredged and protected by a breakwater; the railway, a single line, must be worked with such success that delicate merchandise, like tea, can be safely and surely conveyed; and godowns must be built in which tea can lie covered by fire insurance. No doubt from the day the railway is open to Kelung from Twatutia, the tea mart of North Formosa, trade will increase; but I doubt much whether the present course of the tea trade will be disturbed for years to come.

The physical difficulties of the line are not serious, but the foreign engineers employed have the greatest trouble in getting their recommendations carried out. Since the winter of 1886-87,

Plan to make
Kelung the
port of the
island.

when work was begun on the railway, five chief engineers have been employed. It is almost hopeless to find Englishmen who combine the qualities necessary to serve the Chinese in this capacity. Quickness, skill, and intelligence must be combined with courtesy, tact, and good temper, and to this rare combination of good qualities must be added a fair share of force of character. To give an example, the only difficulty between T'ai-pei Fu and Kelung is a tunnel 300 yards long through sandstone and shale. Work was begun in the spring of 1887, the labourers being soldiers acting under officers with no previous experience of tunnelling, the foreign engineers being allowed no authority. Bad slips occurred, and the Chinese wanted to give up the plan of a tunnel and make an open cutting 200 feet deep. In the autumn, 1887, this site was given up, and work was begun on another route laid out by Mr. G. Murray Campbell, then chief engineer. The work was put in the charge of a native general, who knew nothing about what he was doing, and who commenced work at the north end 14 feet too high. At the south end, although the strata was treacherous, scarcely any timber was used, the result being that in September, 1888, many small falls culminated in a large fall of the tunnel roof and collapse of the hill side from the open. They then began to remove this débris without timbering. In December last Mr. H. C. Matheson, the superintendent engineer, made a plan for constructing the tunnel through the débris, which was approved by the Governor, but immediately set aside to let the general in command at the tunnel follow his own reckless course as before. In March, 1889, Mr. H. E. P. Cottrell, the chief engineer just arrived from England, reported the necessity of draining, of the use of timber, and of lining with brick or stone; but, although the Governor approved, the general in charge does just what he chooses.

This will give some idea of the difficulty engineers have in working under Chinese officials.

GENERAL.

Reassessment
of land tax.

During the last three years a reassessment of the land tax has been made much to the benefit of the revenue, but this has not been done without considerable friction resulting during 1868 in something like organised revolt in two places—at Pinan, on the east coast of the island, about 50 miles above South Cape; and at Chang-hua, a walled town situated a few miles inland from the middle of the west coast. The immediate occasion in both cases was some petty extortion on the part of local officials, but the real cause of both these outbreaks was the levy of the new land tax. At Pinan the aborigines of the island joined the disaffected Chinese. A force of 3,000 men, with which two men-of-war from the northern fleet co-operated, was sent against them, and their principal town was taken and burnt. Troops were promptly procured from Foochow and Amoy to quell the Chang-hua rising, and order was promptly restored. The country people object to

an impost they had not bargained for, although they are perfectly well able to pay it, the farmers and peasants of Formosa being probably the most well-to-do of their class in the empire.

The relations between Chinese and foreigners are more cordial here than in any port in China in which I have been. The present Governor is desirous to advance in every way possible the prosperity of the island, and, although he does this of course solely in the interests of his own people, he is liberal-minded enough to welcome help from all quarters. Any Englishman with proper credentials coming to bring a new scheme or invention to His Excellency's notice is sure to receive a welcome and a fair consideration of any proposal he may have to make.

Englishmen with suggestions to make welcomed by the Governor.

Annex A.—RETURN of all Shipping at the Ports of Tamsui and Kelung in the Year 1888.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	12	7,377	70	44,801	82	52,178
Chinese ... ..	...	...	13	7,597	13	7,597
German	10	3,869	21	9,089	31	12,958
American	1	1,027	...	...	1	1,027
Dutch	1	289	...	...	1	289
Total	24	12,562	104	61,487	128	74,049
„ for the year 1887 ...	9	3,014	119	57,991	128	61,005

CLEARED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	11	7,013	70	44,590	81	51,607
Chinese ... ..	...	...	13	7,597	13	7,597
German	10	3,816	23	9,905	33	13,721
American	1	1,027	...	...	1	1,027
Total	22	11,856	106	62,096	128	73,952
„ for the year 1887 ...	9	2,778	116	56,501	125	59,279

Annex B.—RETURN of Principal Exports from Tamsui and Kelung during the Year 1888 and 1887.

Articles.		1888.		1887.	
		Quantity.	Value.	Quantity.	Value.
Camphor	Lbs. ...	383,063	\$ 5,811	335,990	\$ 5,412
Coal	Tons ...	26,639	18,452	12,311	8,307
Sulphur	Lbs. ...	574,661	2,708	446,880	1,732
Tea, black	„ ...	18,089,200	704,456	18,863,200	794,352
Other articles ... ..	„ ...	...	8,082	...	5,462
Total ... ..	...	...	739,509	...	815,265

NOTE.—133½ lbs. avor. = 1 picul. 4s. 10d. = Halkwan tael.

**RETURN of Principal Articles of Import to Tamsui and Kelung
during the Years 1888 and 1887.**

Articles.		1888.		1887.	
		Quantity.	Value.	Quantity.	Value.
Foreign produce—			£		£
Opium, Benares	Lbs. ...	69,256	36,743	67,354	54,570
" Persian	" ...	2,737	1,833	4,724	4,861
" Turkey	" ...	191,192	138,197	142,472	123,439
" boiled	" ...	169	159	...	...
Shirtings, grey plain ...	Pieces ...	40,139	17,068	47,552	18,569
" white	" ...	52,460	31,645	49,592	33,394
Camlets, English	" ...	3,100	6,607	2,976	6,208
Lead, in pigs	Tons ...	694	13,693	621	9,473
Cements	Packages ...	14,174	9,509	6,513	4,089
Munitions of war ... ..	" ...	...	85,364	...	...
Railway materials	Tons ...	4,947	38,917	14	617
Other foreign produce ...	" ...	...	109,838	...	123,081
Native produce—					
Grass cloth, fine	Lbs. ...	52,088	15,738	15,025	15,517
Medicines	" ...	330,375	7,298	...	7,530
Rice	Tons ...	2,787	19,289	4,011	27,706
Silk piece goods	Lbs. ...	15,135	15,335	14,494	15,709
Wood, planks, tea boxes ...	" ...	432,180	9,312	...	9,313
Other native produce ... ..	" ...	...	73,918	...	85,363
Total ... ..		...	630,461	...	539,739

NOTE.—133½ lbs. av. = to 1 picul. 4s. 10d. = to 1 Haikwan tael.

**Annex C.—TOTAL Value of all Articles Exported and Imported
to Tamsui and Kelung from and to Foreign Countries during
the Years 1888 and 1887.**

Country.	Exports.		Imports.	
	1888.	1887.	1888.	1887.
	£	£	£	£
Great Britain .. ..	..	..	49,677	..
Hong Kong	13,997	10,696	855,648	365,856
Japan	43	..	..	..
British America	7
Total	14,052	10,696	405,325	365,856

NOTE. 4s. 10d. = to 1 Haikwan tael.

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CHINA.

REPORT FOR THE YEAR 1889
ON THE
TRADE OF TAMSUI.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 575.

Presented to both Houses of Parliament by Command of Her Majesty,
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594. Hiogo	1½d.	653. Tripoli	1d.
595. Bangkok	1d.	654. Buenos Ayres	1d.
596. Serajevo	1d.	655. Paris	1d.
597. Copenhagen	1½d.	656. Cherbourg	1d.
598. Cephalonia	1d.	657. Warsaw	1d.
599. Chefoo	1d.	658. Rome	1½d.
600. Guatemala	1½d.	659. Saigon	1d.
601. Tonga	1d.	660. Buenos Ayres	1d.
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611. Tabreez	1d.	670. Stuttgart	1d.
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613. Barcelona	1d.	672. The Piræus	1d.
614. Tokio	1d.	673. Syra	1d.
615. Naples	2½d.	674. Boulogne	1d.
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CHINA.

TAMSUI.

Acting-Consul Playfair to the Marquis of Salisbury.

My Lord,

Tamsui, February 6, 1890.

I HAVE the honour to enclose my Report on the Trade of Tamsui for the year 1889.

I have, &c.

(Signed) G. M. H. PLAYFAIR.

Report on the Trade of Tamsui for the Year 1889.

The total trade of Tamsui in 1889 amounted to 1,235,747*l.*, as ^{Imports:} decrease in ^{Opium.} total trade. against 1,369,970*l.* in 1888, an apparent decrease of over 130,000*l.*

Taking into account, however, the fall in the value of silver, the actual decrease is only 87,000*l.*, the Haikwan tael having been valued at 4*s.* 10*d.* in 1888, and 4*s.* 8*d.* in 1889. Moreover, imports in 1888 included munitions of war and railway materials for Government use to a value of 108,051*l.* (at the lower rate of exchange 104,325*l.*) in excess of similar imports in 1889; so that as regards ordinary articles of commerce, there has been rather a gain than a loss.

Opium shows a slight increase in the total amount imported, but the demand for Indian varieties continues to decline steadily in favour of the Turkey article. Eight years ago Benares, with a small quota of Malwa, took about 50 per cent. of the trade, the remaining moiety being divided between Persian and Turkey. Persian and Malwa have now practically disappeared; Turkey monopolises about 80 per cent. of the demand, leaving only 20 per cent. to Benares. Indeed, as regards the port and neighbourhood of Tamsui, Indian opium has been entirely driven out of the field; the import of Benares being solely for the supply of Lökkong (a small port half way between Tamsui and Taiwan) and the surrounding districts. It is also certain that the native drug is steadily gaining a footing in this neighbourhood; as it does not

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pass through the foreign customs, statistics are not obtainable, but it is well known that there is a steady re-export of foreign opiums in native junks to the mainland, where they are exchanged for the opiums of Sau-ch'uan and Yunnan, which are then brought back to Tamsui for local consumption. It is not improbable that there is also direct importation, for with the undoubted increase of a population which is notoriously addicted to opium smoking, there is no other way of accounting for the falling-off in the use of foreign opiums which has been a marked failure of recent years.

Piece goods.

Some varieties of piece goods, such as grey and dyed shirtings, T-cloths and lastings, show a slight rise; but on the whole there has been a falling-off even in Japanese cotton cloth, which figures prominently in the list of imports.

Kerosene.

Kerosene oil, American and Russian, in the proportion of four to one, is a noticeable feature in the trade of the port, having increased in quantity from 344,170 gallons in 1888 to 598,690 gallons in 1889.

Native produce.

It is a sign of a prosperous year that the import of rice has decreased in quantity from 55,740 cwts. to 19,489 cwts.

Exports:
Tea.

The following remarks on the past tea season, for which I am indebted to a local foreign firm, are an apt commentary on the figures which will be found in the table of exports, showing as they do a decrease of over 560,000 lbs.:—

“The tea season of 1889 has been most unsatisfactory both to foreign and native merchants, and there are not wanting signs to indicate that Formosa, which has hitherto been to a great extent exempt from the disasters which have overtaken the trade in other parts of the Empire, is likely to share them in future. The teas of the island which formerly had a distinctive character are rapidly losing it, owing to the reckless competition amongst Chinese buyers for the Amoy market, and the careless preparation and fraudulent admixture by them of the teas after they come into their hands from the growers. This has told its tale on the consuming markets, and a lower basis of price than has ever been known before has been established, while the consumption shows a very marked decrease. With the yearly increasing competition from India, Japan, Ceylon, and Java, each of which countries fosters its tea trade, while China does nothing for it, but rather taxes it beyond its endurance, the ground that Formosa has lost on the consuming markets is unlikely ever to be made up; and in the opinion of those most competent to judge, the days of the trade are numbered, unless steps are taken by the Chinese themselves in the direction of radical reform. Under these circumstances it is gratifying to note that his Excellency the Governor has, in conjunction with a foreign merchant, procured the services of an experienced planter from India, who is to establish a model tea farm, and endeavour to show the people the advantages of the proper cultivation and manufacture of tea. The idea is an enlightened one, but whether it will be prosecuted with vigour, and receive enough official support to ensure its success, remains yet to be seen. It is also an open question whether the adoption

of the most perfect methods can be attended with success while the inland and export duties on the article continue to be out of all proportion to its value, and so far in excess of the like imposts in all competing countries."

America continues as before to take 90 per cent. of the local export, but there are indications of a growing change of popular taste in the matter of tea. As oolongs seem to be little appreciated elsewhere than in the United States, any change of this nature would be the death-blow of the Tamsui tea-trade as at present conducted. It is with this eventuality in view, I understand, that the scheme inaugurated under the auspices of the planter from India referred to above is intended to include the preparation of teas of the Indian, Ceylon, and mainland types, a market for which will, it is hoped, be found in London and elsewhere. It should be explained, perhaps, that it is merely peculiarity of preparation which produces the variety known as oolong; the raw material is the same as that of Foochow, Hankow, and India, and a proper manipulation will produce a tea of precisely similar quality to the Souchongs and Congous of other ports.

The only other product of any importance is coal from the Kelung mines, of which the export has increased by nearly 17,000 tons. Yet the yield is but a fraction of what it might be, and there seems to be no prospect of amelioration in this respect. It is a marvel that there is even this small increase to record considering the 'unfavourable conditions under which the mines are worked. Situated some distance from the place of shipment it was intended to put them in communication with the port by means of a line of rail, and the route was even surveyed and partially levelled, but this has been abandoned; so that now the coal must be brought round in native boats when the weather happens to be favourable, a comparatively rare occurrence at Kelung, where the rainfall is exceptionally large. The machinery, moreover, at the mines needs renewal, and it is desirable that new ground should be broken and fresh shafts opened. The single reason why none of these essential improvements can be carried out is lack of funds; money is not procurable in the country itself, and the central government refuses to sanction a loan from outside or to allow the infusion of a foreign element in the management.

As far as the public is concerned the railway made no progress in 1889. In the previous year 12 miles on the Taipei-Kelung section were opened for passenger traffic, and up to the end of December, 1889, no addition had been made to this mileage. Though in so doing I trench on the current year, I may mention that on January 28 a further section of about 5 miles was opened on the south side, and that the rails are actually laid for an additional two miles, though the ballasting is not yet completed.

This is, however, only from the public point of view. The actual construction of the road has been progressing steadily, and that in spite of several unfortunate contretemps. I have stated that in the Kelung section only 12 miles are in working order, as
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they were at the close of 1888. Further progress has been long barred in that direction by a cutting about half a mile beyond the present terminus of the rails. Owing to the geological formation of the hill through which this cutting was sought to be made, much labour and money have been wasted to no purpose; as fast as the clay and sand of the hill-side was cut away, avalanches of soil fell in on both sides, and choked up the roadway. With remarkable perseverance the work was persisted in for many months, but at last has been abandoned and a fresh route been chosen along a lateral valley, where no cutting is required. A mile or so further on, however, another hill-side is in process of being cut through under similar difficulties, but in this case it seems likely they will be overcome. From this second cutting there is no other obstacle till the tunnel is reached, and this important link in the chain of communication is approaching completion. Owing to the obstinate disregard of the foreign engineers' plans by the General-in-charge of the executive, the approach to the tunnel presents some eccentric curves, but it is hoped some of the work carried out under native supervision may eventually fall in and allow of certain desirable rectifications. Beyond the tunnel, again, the curves adopted in spite of European advice have made the line so impossible to work, that two new cuttings of considerable depth have had to be undertaken to bring the line within reach of practical engineering. When these, together with the cutting on the other side of the tunnel, have been completed, little will be left to do except the laying of the rails.

From Taipei southwards much has also been done. Beyond the seven miles already laid with rails the roadway has been nearly completed through the pass which leads by Kuei-ling Ting out of the Taipei Valley into the plain, which stretches southwards towards Changhua between the mountains and the sea. On this section there is a rise of about one in 36 over a distance of three miles. Surveys determining the line have further been made as far as Changhua. No work is being carried on at present apparently, owing to the military operations now in progress against the aborigines, for the navvies employed on the railway are soldiers, and are now engaged in more strictly professional work.

In last year's Trade Report allusion was made to the frequent change of engineers. Another instance has to be added. Mr. Cottrell, who arrived from England in March, 1889, was dismissed in September, and has been replaced by Mr. Watson, one of the engineers employed in the Chihli railways. The Generals being engaged in fighting the savages, Mr. Watson has experienced less interference with his plans than was the case with his predecessors.

Savage campaign.

In September last a detachment of soldiers engaged in constructing a road on the east coast from Kapsulan to Su-as Bay, numbering 300 men, were attacked by the savages and massacred. Their commander, a nephew of the Governor, shared their fate.

Troops have been collected, chiefly from Nanking and Anhui, the Governor's native province, and in December a punitive expedition was despatched, with the avowed intention of making an end of the savage trouble once for all. The expedition was in two divisions—the one, numbering about 5,000 men, to act from an inland point; the other, about 2,000 in number, to operate from the east coast near Su-as Bay. The former division appears to have achieved some success. According to reports which have reached me, the savages have submitted and delivered up their chief with eleven others charged with murdering Chinese; the chief has been barbarously executed in front of the north gate of Taipei. The Su-as division has been less active, and the Governor intends proceeding in person to the scene of action.

People engaged in stamp-collecting, technically known as The Formosa postage-stamp philatelists, have taken considerable interest in what is called the "Formosa Stamps." Many letters have been received at this Consulate from virtuosos anxious to be in possession of this rarity, and it will probably be news of interest to a large class that the supply has come to an end, and that those who have been so fortunate as to procure specimens will do well to hold them back, as their value must necessarily increase as time goes on. The Formosa stamp in question has had a curious history. It is so far a genuine postage-stamp that it was originally produced for postal uses; but, as a matter of fact, the intention was never carried out, so that it has been impossible to comply with requests I have received for specimens authenticated by a postmark. From a philatelic standpoint, it has never been more than an "Essay," but it has come into practical use as a railway ticket on the Formosan Government line. The supply issued for this purpose is, however, now exhausted, and, though a quantity are still in stock in the Governor's hands, they are not likely to be issued, and the Formosa stamp is now virtually unprocurable. After being served as railway tickets, these stamps were cancelled by the cutting off of a corner, and have, I am told, since been destroyed. Had the Governor but known it they would have found a ready market in London, and had they been disposed of at a uniform price of sixpence each (they actually fetch ten shillings) his Excellency might have recouped the whole expense of their original production by the sale of his used-up railway tickets.

I append the usual tables of trade statistics.—

Table I.—RETURN of all Shipping at the Ports of Tamsui and Kelung in the Year 1889.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	77	50,694	11	4,286	88	54,972
Chinese	26	18,042	...	...	26	18,042
German	14	7,490	15	5,093	29	12,573
Other nationalities	1	1,521	1	20	2	1,541
Total	118	77,727	27	9,401	145	87,128
„ for the year preceding ...	104	61,487	24	12,562	128	74,049

CLEARED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	78	51,565	12	4,652	90	56,217
Chinese	26	18,042	...	...	26	18,042
German	14	7,490	15	5,093	29	12,573
Other nationalities	1	1,521	1	20	2	1,541
Total	119	78,608	28	9,765	147	88,373
„ for the year preceding ...	106	63,096	22	11,856	128	73,952

Table II.—RETURN of the Principal Articles of Export from Tamsui and Kelung during the Years 1889-88.

Articles.		1889.		1888.	
		Quantity.	Value.	Quantity.	Value.
Campher	Cwts. ...	4,263	£ 7,325	3,420	£ 5,811
Coal	Tons ...	43,419	31,490	29,639	18,452
Sulphur	Cwts. ...	5,381	3,136	5,180	2,708
Tea, black	Lbs. ...	17,432,125	670,511	18,099,200	704,456
Miscellaneous ... ..	...	...	7,823	...	8,082
Total value ... ..	...	...	720,285	...	789,509

Table III.—RETURN of the Principal Articles of Import into Tamsui and Kelung during the Years 1889-88.

Articles.			1889.		1888.	
			Quantity.	Value.	Quantity.	Value.
Foreign produce—				£		£
Opium, Benares	Cwt.	...	445	36,024	618	33,743
" Persian	"	...	25	210	24	1,833
" Turkey	"	...	1,987	178,776	1,707	138,197
Shirts, grey, plain	Pieces	...	39,587	17,311	40,139	17,068
" white	"	...	41,911	23,149	52,460	31,645
Camlets, English	"	...	2,757	5,456	3,100	6,607
Lead, in pigs	Cwt.	...	16,576	15,913	13,680	13,693
Munitions of War ... ..	"	...	...	3,245	...	85,364
Oil, Kerosene, American ...	Gallons	...	476,190	17,403	344,170	11,401
" Russian	"	...	122,500	3,969		
Railway materials	Packages	...	629	12,985	...	38,917
Miscellaneous ... ..	"	...	...	80,507	...	111,680
Native produce—						
Grass cloth, fine	Cwt.	...	417	15,249	465	15,738
Medicines	"	...	3,798	7,983	2,950	7,298
Rice	"	...	19,499	5,598	55,740	19,299
Silk piece goods	"	...	98	10,028	135	15,335
Miscellaneous ... ..	"	...	...	81,658	...	83,230
Total ... ..		...	...	515,432	...	630,461

Table IV.—TOTAL Value of all Articles Imported and Exported at Tamsui and Kelung from and to Foreign Countries during the Years 1889-88.

Country.	Imports.		Exports.	
	1889.	1888.	1889.	1888.
	£	£	£	£
Great Britain .. ..	..	49,677	..	..
Hongkong	383,552	355,648	23,965	13,999
Japan	1,933	43
Other countries	13	..	398	7
Total.. ..	385,498	405,325	24,363	14,047

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CHINA.

REPORT FOR THE YEAR 1890
ON THE
TRADE OF TAMSUI.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 679.

*Presented to both Houses of Parliament by Command of Her Majesty,
JUNE, 1891.*

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1891.

[C. 6205—181.]

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CHINA.

TAMSUI.

Acting-Consul Holland to the Marquis of Salisbury.

My Lord,

Tamsui, April 10, 1891.

I HAVE the honour to forward herewith my Report on the Trade of Tamsui and Kelung for 1890.

I have, &c.

(Signed) W. HOLLAND.

Report on the Trade of Tamsui and Kelung for 1890.

The total trade of the port for 1890 was 1,423,841*l.*, as Increase in against 1,235,747*l.* in 1889, or an apparent increase of 191,094*l.* trade. The real increase, however, was not more than a third of this sum, the actual figures being as follows :—

						Haikuan Taels.
Total trade for 1890	..	..	..	..	..	5,523,255
„ 1889	..	..	..	..	..	5,265,004
Increase for 1890	..	..	..	..	..	258,251

This sum, at the 1890 rate of the tael, viz., 5*s.* 2*d.*, would come to 66,715*l.*

IMPORTS.

The import of opium continues steady, being very slightly Opium. less in 1890 than the previous two years, but this balance is maintained by the increase of Persian, all other kinds falling-off steadily. Opium smoking is persistently indulged in by all classes here, and there can be no doubt that the import of native
(1147)

opium in junks must be keeping pace with the increase of population and general prosperity.

Peece goods.

Cotton goods show a slight increase on 1889, importations being almost entirely English. The falling-off in woollens of late years is noteworthy, and has been explained to me in an amusing way by a well-to-do native. Before the arrival here of the Governor and his attendant train of mandarins, the people, especially the women and girls, were content to dress in woollen stuffs; but with the arrival of the host of officials, great and small, who followed the Governor, bringing their silk and satin clothes from the mainland, there quickly arose a taste for more magnificent apparel, and, as a natural consequence, native silks and satins have gained what foreign woollens have lost.

Kerosene oil.

As will be seen from Table III., the import of American oil for 1890 was enormous as compared with previous years. Russian oil fell from 122,500 gallons in 1889 to 15,000 gallons in 1890, and I am informed that the natives, who are quick to note the slightest inferiority in any article of commerce, do not favour the Russian oil. They do not, however, appear to notice, or at any rate object to, the decided deterioration of all kerosene of late years. Cheap lamps and kerosene have now found their way right up to the savage border, and the demand for both articles increases yearly. I have been unable to discover much about the Russian oil, which does not appear to be distinguished from the American by the bulk of the natives—indeed, it has been hinted to me that much of the oil in American tins and boxes is doubtless Russian, the substitution being effected in China or Hong Kong.

Matches.

The import of Japanese matches keeps pace with that of kerosene, the figures for 1890 being 124,204 gross, as against 86,594 gross in 1889. There are many brands, some of which are very good, and most of which are good enough to satisfy the frugal native. Being sold for rather less than a farthing a box, there is not much room for European manufacturers to compete with the Japanese in this direction.

EXPORTS.

Tea.

The apparent decrease, as compared with 1889, of 230,525 lbs. is somewhat misleading. The great bulk of the tea that leaves this port is the well-known Formosa Oolong, the chief market for which is found in the United States; but there is another and a yearly increasing market for a more lightly fired tea, which is known as Pouchong, and goes no further than Hong Kong and the Straits Settlements, to supply the demands of the ever-increasing Chinese population of our colonies there. This market accounts for over 2,000,000 lbs. out of the 17,201,600 lbs. that appear in the returns; the actual export of Formosa Oolongs on which the business, not only of this port, but of Amoy itself, really relies, being 371,000 half-chests, or about 15,250,000 lbs. less than 1889 by 10,000 half-chests, or about 400,000 lbs.

I am indebted to a local British merchant for the following remarks on the tea trade:—

"That the United States seem, year by year, to care less for Formosa Oolongs is without doubt; and, but for the speculative element existing in the New York market, it would be impossible to guess at the ultimate destiny of Formosa Oolongs. Under these circumstances it is gratifying to think that some notice has been taken of our teas in London this year, where fair prices have been obtained. Unfortunately, these teas have not a market to themselves in London, and are only taken in small lots for mixing purposes by a few dealers in the trade. As regards the quality of the crop this year, decided improvement and care, both in the preparation and packing, was apparent, many of the summer fine teas showing the real Formosa delicacy and peculiarity of flavour by which the teas first gained their reputation. Strange to say, in spite of the superior quality of the higher grades as compared with last year, these very grades were the most neglected in the New York market, and the best prices in proportion were paid for the inferior grades, although the constant cry from the United States has been 'give us better teas, and we will give you better prices.'"

The apparant anomaly here alluded to is probably due to a change in American taste, which may or may not be permanent; and it was in connection with this change that one of the leading British merchants in Amoy obtained for the Governor the services of an expert from Assam, who was to instruct native tea-men in the methods of preparing teas after the Ceylon and Indian fashions. Unfortunately, this enterprise met with the usual unreasoning opposition on the part of the natives, and the expert who really succeeded in making excellent Ceylon tea found himself so utterly unsupported, even in the matter of manual labour, that he finally left the plantation in disgust. He subsequently left for Peking, where it is hoped that, through the influence of the various Ministers interested and the inspector-general of customs, he would be enabled to demonstrate to the high authorities how absolutely important it is not only for Formosa, but for China in general, to improve on the present happy-go-lucky style of cultivating teas, if she desires to continue drawing an annual revenue of over 25,000,000 taels (nearly 6,500,000*l.*) from this product.

The great hopes entertained two years ago of Kelung ^{Coal.} becoming the important depôt for coal, which it might so easily be made, appear to be further from realisation than ever, in spite of the fact that the railway is now almost completed to Kelung. Not only has the export dropped from 43,000 tons in 1889 to 23,000 tons in 1890, but I am informed that the export is likely to be nil before very long. The attempts that have been made to form a company for working the mines have been thwarted in every way, chiefly owing to the Peking Government refusing to sanction the presence of either foreign capital or foreign management. With the latter as some security, wealthy natives, both here and in

(1147)

Hong-Kong, would subscribe the necessary capital over and over again, but without it they decline to risk their money

Camphor.

Next to tea, camphor is the most interesting, and might be the most important export from this district. The supply seems, for the present at all events, to be inexhaustible, though with their usual improvidence the natives make no attempt to plant young trees in the place of those they cut down, and the natural consequence is that camphor has to be looked for further and further inland, that is, in the savage territory. The Chinese camphor-burners are protected by soldiers supplied by the Governor, who repays himself for this expense by levying a tax of 80 dollar-cents (about 2*s.* 6*d.*) a month from each furnace. The camphor, which is in the form of a dirty white powder, is taken to certain depôts, where it passes into the hands of the camphor head-men, through whom it reaches the foreign purchaser. Last year camphor was supposed to be in great demand for the manufacture of smokeless powder, but as a matter of fact it was simply a speculation on the part of some firms in England, and its market value at Hong-Kong went up enormously, reaching as high as 50 dol. (about 8*l.* 10*s.*) per picul of 133½ lbs., avoirdupois. At that time, when camphor was a Government monopoly, there can be no doubt that the Governor must have made a lot of money, seeing that he was paying about 8 dol. (say 1*l.* 8*s.*) a picul to the producers. That monopoly has now been broken up, and foreigners are free to purchase camphor under transit pass. The price in Hong-Kong has gone down considerably, but it still pays a handsome profit of over 30 per cent., and a very large increase on any previous year's shipments may be confidently anticipated for 1891. The loss in weight between this port and Hong-Kong is sometimes as much as 20 per cent. to 25 per cent., owing to the crude way in which the camphor is prepared; if foreigners could only get permission to introduce machinery and show the natives how to express the oil—which is valuable—and compress the residue into rock camphor, a business might be started here which, for a time at least, might well replace the decaying tea trade. The improvident waste of material is most deplorable, seeing that it takes nearly 50 years for a camphor tree to grow to a size that will pay for the extraction of its camphor; and meanwhile, as I have said, not a tree is ever planted in the place of those cut down. Everyone goes on the principal of "*après nous le déluge.*"

Indiarubber.

I have great hopes that there may be a new opening for British trade in connection with indiarubber; as there seems to be no doubt that the tree exists here, though no one knows much about it. I am in communication with an English expert on the subject, who I hope will either come himself, or send a skilled employé to show the natives how to tap the trees.

Silk.

The hopes that were entertained two years ago of the development of a silk trade have come to naught. Some of the raw silk was sent up to Shanghai, and was considered so good that it obtained a price of 20 dol. (say 3*l.* 10*s.*) a picul more than the

best Canton silk, and yet in spite of such a prospect nothing came of it. I am informed by a wealthy native who spent some money on it that the speculation failed owing to the difficulty of procuring labour. Wages are high in Formosa for all labour, and so well paid are the tea pickers and packers that they refuse to leave their old work for the new one of tending silkworms and reeling silk, except at a price which would absorb all profits. I fancy, however, that lack of speculative energy has a good deal to do with it. The Governor's genuine desire to promote any new scheme that tends to develop the resources of the island has resulted in causing everyone to look to him to incur all initial risks and expenses.

GENERAL.

Considerable progress was made in the direction of Kelung, The railway. the tunnel being completed and the rails laid almost to the harbour of Kelung. The rest of the rails and the ballasting will be easily finished early in 1891. Southwards from Taipei not very much has been accomplished. Beyond the Kuei-ling t'ing section, which was completed in 1889, the earthwork has been prepared for nearly 30 miles, and further south still the country has been reconnoitred, and the general course of the line down to Chang Hwa provisionally decided. The great check on this southern portion of the line appears to be the difficult task in prospect of bridging two rivers, the Fong Lee and Tai Kah, which are ordinarily mere brooks, but in the rainy season are raging torrents, the former as much as two miles wide. A short distance south of Kuei-ling t'ing an extensive tea-growing district is skirted and partly traversed, and it is hoped that the season of 1891 will see much tea brought down from there to the packing hong in Tuatutia by rail. A new engineer, Mr. T. J. Bourne, was added to the staff, and two new engine-drivers came out under engagement from England.

The English school, under Mr. W. D. F. Hutchison, has been English school. removed from its inconvenient position in the Examination Hall to an entirely new set of buildings, which have been erected at a cost of about 18,000 dol. (3,000*l.*). These buildings also include a native school (for the Chinese language), and a school for the children of savages, of whom there are about 20 at present maintained and taught the Amoy dialect of Chinese at the Governor's expense. He takes great interest in these schools, and is always pleased to hear of the students' progress from Her Majesty's Consul, who is invited every six months to hold an examination.

Foreign merchants and trade in general would derive immense Status of the benefit if the same privileges were enjoyed here that are conceded port. to the foreign residents of other treaty ports, but such is unhappily not the case. In spite of the fact that all the business of the port is carried on in Tuatutia, Hobé being merely the anchorage of the port, foreigners, for reasons which it is hard to

CHINA.

understand, have always been restricted to Hlabé as far as the holding of property is concerned, being allowed to live in Tuatutia on sufferance only, in houses built by native owners. As the question of establishing Her Majesty's Consulate in Tuatutia is now under discussion, nothing more need be said about it here; but, as a local merchant has observed to me, "the custom-house should necessarily be at Tuatutia, and not at a distance of over nine miles from the seat of business. The loss of time—to say nothing of money—spent in travelling between the two places is enormous, as owing to tides and shallowness of the river it takes nearly a whole day to make the journey and return."

Another great want here is a branch of the Hong-Kong and Shanghai Bank. An old-established firm here is agent for the bank, but that is not sufficient for the growing requirements of the place. It can be easily understood that a firm does not care to lay its business bare before another and possibly competing firm, and so many a matter of business is financed through the natives or in other ways, and is thus lost to the bank altogether, while the merchant at the same time does not obtain such facilities as a branch of the bank would afford him.

Table I.—RETURN of all Shipping at the Ports of Tamsui and Kelung in the Year 1890.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	6	2,314	87	58,086	93	60,400
Chinese ... ..	...	...	39	27,451	39	27,451
German	1	280	...	...	1	280
American	1	709	...	...	1	709
Total	8	3,303	126	85,537	134	88,840
" for the year preceding ...	27	9,401	118	77,727	145	87,128

CLEARED.

Country.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	5	1,982	87	58,086	92	60,068
Chinese ... ..	...	...	39	27,451	39	27,451
German	2	749	...	...	2	749
American	1	709	...	...	1	709
Total	8	3,440	126	85,537	134	88,977
" for the year preceding ...	28	9,765	119	78,608	147	88,373

Table II.—RETURN of the Principal Articles of Export from Tamsui and Kelung during the Years 1889-90.

Articles.		1890.		1889.	
		Quantity.	Value.	Quantity.	Value.
Coal	Tons ...	23,518	20,673	43,419	31,490
Camphor	Cwts. ...	7,717	26,050	4,263	7,325
Sulphur	" ...	6,927	2,699	5,381	3,136
Tex and stalk	Lbs. ...	17,201,600	796,999	17,432,125	670,511
Other articles ... ..	...	...	6,444	...	7,823
Total ... ..	...	...	853,164	...	720,235

Table III.—RETURN of the Principal Articles of Import into Tamsui and Kelung during the Years 1889-90.

Articles.		1890.		1889.	
		Quantity.	Value.	Quantity.	Value.
Opium, Benares	Cwt. ...	440	£ ...	445	£ ...
" Persien	" ...	1,898	215,232	2,012	215,010
Cotton goods—					
Shirtings, grey, plain	Pieces ...	53,456	54,572	129,186	49,443
" white	" ...	48,963			
" unclassified	" ...	30,210			
Woolen goods—					
Camlets, English	Pieces ...	2,190	16,147	7,940	16,282
Long ells	" ...	1,479			
Unclassed	" ...	3,467			
Metals—					
Nail rod, iron	Cwt. ...	1,048	23,515	17,658	18,956
Tin in slabs	" ...	194			
Lead in pigs	" ...	12,292			
Oil, kerosene—					
American	Gallons ...	849,045	13,002	593,690	21,372
Russian	" ...	15,000			
Other articles ... ..	...	...	265,793	...	194,369
Total ... ..	...	...	588,262	...	615,483

Table IV.—TOTAL Value of all Articles Imported and Exported at Tamsui and Kelung from and to Foreign Countries during the Years 1890-89.

Country.	Imports.		Exports.	
	1890.	1889.	1890.	1889.
	£	£	£	£
Great Britain	4,198	..	..	..
Hong-Kong	433,162	383,552	33,707	23,965
United States of America	4,534	..	..	..
Japan	1,938	158	..
Philippine Islands	13	..	398
Total	441,894	385,498	33,925	24,363

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N^o 1093.

**DIPLOMATIC AND CONSULAR REPORTS ON TRADE
AND FINANCE.**

CHINA.

REPORT FOR THE YEAR 1891

ON THE

TRADE OF TAMSUI.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 920.

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CHINA.

TAMSUI.

Mr. Holland to the Marquis of Salisbury.

My Lord,

Tamsui, April 29, 1892.

I HAVE the honour to forward herewith my Report on the Trade of Tamsui for the year 1891.

I have, &c.
(Signed) W. HOLLAND.

Report on the Trade of Tamsui and Kelung for the Year 1891.

ABSTRACT of Contents.

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Shipping and Navigation.

The number of vessels of all nations that entered the ports of Tamsui and Kelung during the year was 155, with a tonnage of 24,039 tons. This is an increase over 1890 of 21 vessels and 5,199 tons, the increase, however, being almost entirely in Chinese and German shipping, the British tonnage being actually a trifle less than in 1890. The only serious opposition to the one British firm which continues to monopolise the British carrying trade of this port is worked in a rather spasmodic manner by means of the two Chinese steamers "Smith" and "Cass," belonging nominally to the Formosa Trading Corporation, but really to the Governor. These vessels are somewhat expensive toys, having too much engine room and too little cargo space, while they burn an extravagant amount
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of coal. In addition to this, when the "Cass," which was beginning to open up a carrying trade between Tamsui and Shanghai, is suddenly ordered by telegram to shut out the cargo which she was on the point of loading at Shanghai and return immediately to take a "taotai's" family down to Tainan, the reason why the two ships do not pay commercially is not far to seek. The Governor is always trying to get rid of them, to replace them by more suitable vessels, but being unable to obtain the price he wants for them they still remain on his hands, and serve as transports or mandarin travelling boats as occasion may require.

Trade and Commerce.

Slight decrease of trade.

The total value of the trade for 1891 was 1,328,590*l.*, as against 1,426,841*l.* in 1890, or an apparent decrease of 98,251*l.* The real decrease, however, did not amount to a-third of this sum, the actual figures being:—

						Haikwan taels.
Total trade for 1890	..	..	..	..	..	5,523,255
" " 1891	..	..	..	..	..	5,404,434
Decrease for 1891						118,821

This sum, at the 1891 rate of the tael, viz., 4*s.* 11*d.*, would come to 29,210*l.*

Imports.
Opium.

The increase in the import of opium continues steadily, being maintained by Persian opium, Benares having fallen off some 62 cwts. There is no doubt that the sale of opium is encouraged by the presence of the soldiery, these unfortunate men receiving no small proportion of their monthly pay in the form of opium supplied to them, it is generally supposed, by their petty officers, but, it is also whispered, by officers of a higher grade, who do a lucrative business in this way. I am indebted to the representative of a local British firm for the following remarks on the opium trade for the year:—

"Prices on opening promised well, and, though not above the average of former years, would doubtless have shown good returns to merchants had they been sustained. This, unfortunately, was not the case, the market throughout the year being continually forced down to sell the drug in quantity. This in a great measure was owing to the bankrupt state of most of the buyers, who were unable to meet previous settlements due, far less to buy new drug. It may also be mentioned that a large business was done in native opium, which made the import heavier as compared with the season 1890. The season was a disappointing one to buyers and sellers, and there were no large profits made."

Piece goods.
Cottons.

In cottons there was a considerable increase, the import being 151,632 pieces against 132,629 pieces in 1890, or an increase of 19,003 pieces. It may be as well, perhaps, to observe that this is entirely a result of Chinese purchasers. The aborigines use

neither foreign nor Chinese piece-goods ; they make their own, and magnificent stuffs they are, calculated to last a lifetime.

It is noticeable that the figures for Indian yarn for 1891 were more than double those for 1890. Increase of
Indian yarn.

In woollens there was a slight decrease, the total value of importations in 1890 being 18,147*l.* against 17,395*l.* in 1891. The falling-off was chiefly in camlets, long ells, and lastings.

Metals would appear to have fallen off some 5,000*l.* as compared with 1890, but in the customs returns, from which the tables are derived, many metals are embraced in the item of munitions of war, which has a total of 19,300*l.* Metals.

The import of American kerosene fell off some 3,600 gallons as compared with 1890, but the total of 845,420 gallons was still enormous in comparison with former years. Russian oil increased from 15,000 gallons to 39,000 gallons. Kerosene oil.

As I remarked in last year's report, the matches kept pace more or less with the kerosene, and show a decrease of 7,004 gross. To a nation like the Chinese, whose universal habit of smoking is not confined to the men, but extends to the women and boys, and who, from frugal motives, do not keep a fire up all day, but as a rule kindle a fresh one for each meal, matches would naturally seem to be indispensable, and one is led to wonder how they managed before the introduction of cheap matches, for which the smouldering joss-stick or bit of charcoal must have been a poor substitute. Japan continues in the front as the manufacturer, as many as 500 different brands coming into this port from that country, selling at a retail price of under $\frac{1}{4}$ *d.* per box for the cheapest kinds. Matches.

The export of coal improved by some 4,400 tons on that of 1890, but was still miserably small, the total being 27,950 tons. When the new Governor took up office, he proceeded to cut down expenses right and left, and amongst other foreigners whose services were dispensed with was the English superintendent of the Kelung coal mines, after which next to nothing was done there, nearly all the coal supplied to steamers coming from the primitive native mines. I hear that another attempt is likely to be made to get up a native company for working the mines, half the capital to be subscribed by the Government, and half by native merchants, but the latter are shy to risk their money in any such affair when there is no foreign control or management of any kind, and the success of any such scheme is therefore very doubtful. Export of
coal.

My anticipation in last year's report of a very large increase on any previous year's shipment of camphor has been fully realised. The export jumped from 7,717 cwts. in 1890 to 19,953 cwts. in 1891. At one time the Hong-Kong market fell so low as to show a slight loss, I fancy, on every shipment, but the local firms continued buying, and were eventually rewarded for their perseverance by a rise in the market, which once more placed the camphor trade on a favourable footing. It experienced a more serious check, however, in the autumn, when an outbreak took

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place among the savages, who unable to distinguish between the Chinese caretakers of the camphor stoves built with foreign capital and their usual foes, attacked the Chinese generally and destroyed numbers of stoves. Nothing could be done, the Chinese being quite unable to protect the stoves or punish the savages, so one resident, who had considerable capital invested in the business, boldly penetrated into the interior—at a time when the Government troops and savages were at daggers drawn—and managed to make satisfactory arrangements about the balance of his money and stoves. What were destroyed will doubtless be a dead loss, but it is interesting, though not perhaps consoling to the losers, to see that a solitary foreigner can safely venture with a Chinese interpreter into territory which the Government troops do not dare to approach. If this rich and lovely island, mostly aptly named Formosa by the Portuguese, who probably knew much more about it than we do, were ever to fall into the hands of a civilised foreign power, there would be no difficulty in coming to friendly terms with the aborigines, who welcome a foreigner with the name of "brother."

I may mention that the adventurous foreigner mentioned above was not an Englishman, no British firm having as yet taken up the camphor trade. Practically the whole of the camphor was carried under transit pass, 134 passes having been issued in the course of the year.

Gold dust.

A mild form of gold fever seized upon the place in the course of the summer. It was, I believe, in connection with the railway works that gold was first discovered in the bed of the Kelung River, and immediately gold-washers mustered in hundreds, and eventually in thousands, armed with a rough tin-lined perforated trough with which they washed out the sandy mud of the river and its banks. I heard of coolies making as much as 3 dol. per day to 4 dol. per day at one time; but the fair picture had its dark reverse. In such a climate as that of Tamsui, it was to be expected that exposure to the sun all day, and to the malarial vapours that rise from the soil in early morning and dewy evening, would result in a visitation of the malignant disease known as Tamsui fever, before which the well cared for foreigner occasionally succumbs, and to which the natives, left absolutely without any sanitary protection and supplied with probably very little medicine, fall easy victims. Nobody knows how many died during the gold washing half of the year, but a very significant commentary was supplied by a Chinese employé in a foreign firm at Hobé, who had been a gold digger in California. When asked why he did not go and make use of his knowledge in finding Kelung gold, he shook his head, and replied, "That place no good—too muchee man makee die!"

As regards the actual quantity of gold exported that also is not ascertainable. The comparatively small value of what was passed through the custom-house, viz., 15,833/., probably represents only a tenth of what actually left the port, seeing that it was common rumour that nearly every native passenger—and they leave for the

mainland in hundreds at the close of the tea season—was taking some gold in his luggage, which is not examined by the custom-house. I suggested to the Governor that, in view of the number engaged and the amount of gold that left the port, it would be both advisable and profitable to properly control and tax the trade; but he stated at the time that he did not propose to levy any tax as long as the search was confined to washing; if they took to the hills and proceeded to dig he should then step in and claim a royalty. He has probably realised since then what a nice little income he is throwing away, as I hear that he proposes to levy a small tax on each trough engaged. He had better tax the quantity of gold produced or each individual engaged in the washing; for if the tax is levied on the trough, they will at once go out of fashion, and the wily native will proceed to invent some other form of instrument by which he may hope, for a time at least, to evade the tax.

Though the actual export of tea was 18,139,733 lbs., or some Tea. 938,000 lbs. in excess of 1890, the value was only 667,383*l.* at the 1891 rate of the tael. Even if the value is reckoned at the 1890 rate of 5*s.* 2*d.*, it only gives 701,318*l.*, or more than 95,000*l.* short of the figures for 1890. The only conclusion, therefore, is that the teas were of an inferior quality, and so commanded a poorer price. This has been explained to me as follows by the agent of one of the British firms in Twatutia:—

“In the spring of 1891 China buyers were hearing of heavy losses on sales of the balance of their 1889–90 purchases, and advices from America pointed to the necessity for caution and low prices. Financial troubles also delayed operations, and it was not until July 4, with a stock in Amoy of 120,000 half chests, that business was commenced on a lower range than had usually obtained at the spring. The Tamsui tea planters had to contend against two things which undoubtedly militated against the quality of the first and second pickings. Heavy and continuous rains washed the goodness out of the spring tea, whilst the holding off of foreign buyers for two months later than usual necessitated the storing of unpacked and partly fired leaf in the country, with very imperfect accommodation. Thus tea which, under ordinary circumstances, would have arrived in a brisk and fresh condition, came down in frequent instances with most of its attractive points evaporated, this being particularly noticeable in the higher grades.”

I may mention that the holding off on the part of foreign buyers for two months was due to the fact that Oolongs were obtainable at the opening of the season at more favourable rates in Amoy than in Tamsui; and therefore as nearly all the firms here are branches of Amoy firms, the latter went in for large purchases, whilst the Tamsui branches held off. That this was possibly a doubtful policy in the long run is shown by the result above alluded to, namely, the appearance of an inferior tea, when Tamsui buyers ultimately commenced business.

The population of Tamsui and Kelung is generally estimated at Population 100,000, but owing to the absence of any reliable census, it is diffi- and industry.

cult to arrive at any accurate knowledge. The same may be said of the aborigines whose numbers are, I fancy, absolutely unknown to anyone, including the Chinese themselves.

Industries. Chinese industries here are many and various—tea, rice, and fishing accounting for probably a large majority of the workers. Tea planting appears to be on the increase, as every walk into the hill country shows new patches of hill side being cleared for planting. The picking is done entirely by the girls and women, so the whole family is kept busy.

Rice-planting. The hardest work must be in the rice fields. Two crops are sown and gathered in the year, harvest times being in the fifth and tenth months of the Chinese year, or about June and November. Of course with such a short rest for the soil heavy manuring is indispensable, and the neighbourhood of paddy fields at such times is anything but desirable. From sunrise to sunset the plodding native is busy, whatever the weather may be, ploughing up the fields with the assistance of the patient but hideous water-buffalo, and manuring them in readiness for the coming crop, which is meanwhile gradually springing up in little wet nurseries carefully sheltered from the north wind by straw screens. When the fields are sufficiently ploughed irrigation has to be carried out, and a familiar sound at such times is the harsh squeak of the clumsy-looking but ingenious water-wheel which is worked with the feet by revolving treadles, on which the native walks, as it were, from one to the next, whilst he hangs with his arms over a horizontal bar fixed at a convenient height. In this way he pumps up water from a lower to a higher level, and when his day's work is done walks home with his wheel over his shoulder. The economy of the Chinese prompts them to make use of every little patch that is conveniently near a stream, and in such little patches where there would be no possible room for the clumsy buffalo to get round with a plough, I have seen a most ingenious contrivance used for breaking up the lumpy wet surface into a level smooth enough for transplanting. The labourer was trampling all over the wet patch with huge wooden skates, as they might be called, but having four deep wooden blades instead of one; also, instead of fastening such heavy things to his feet, a long loop of rattan from the skates to his hands enabled him to hold them tight to his feet, and thus equalise the labour of legs and arms. The result was all that could be wished.

With regard to the transplanting, the rapidity with which this is carried out is wonderful. Little bundles of the young shoots are brought from the nurseries by boys to the men who are standing up to their ankles in mud and water, and I have seen as many as 20 shoots planted in a minute, or at the rate of 1,200 in an hour. The average rate is doubtless much less, but the rapidity and skill with which these men plant the shoots with the right hand only, the left holding the bundle of shoots, is marvellous.

After the transplanting much remains to be done in the way of constantly clearing out weeds and other obstructions to growth, which is done almost entirely with the hand, the labourer either

squatting or grovelling on his hands and knees in the deep mud. Finally, when the rice is fully grown, the water is drained off the fields, the grain quickly ripens, and the harvesting begins. In this as in everything else the procedure is primitive in the extreme. A large deep wooden tub is brought in to the field, at one side of which is fixed a rude screen formed by three or four bamboos, and a piece of as cheap sacking as can possibly be procured. A man standing in front of this tub thus screened receives bundles of the rice from the reapers, and holding a large double handful brings it down with a smart thwack inside the tub. This repeated once or twice threshes out the grain, and the straw is thrown aside to be afterwards piled in straw stacks that remind one of the ricks at home. Thus no threshing floors are used here, but every farmhouse has its smooth mud-plastered floor, on which the rice is laid out to get thoroughly dried in the sun. When ready for the market the rice or paddy sells for an average price of 1 dol. 40 c. (say about 4s.) a picul of 133½ lbs. avoirdupois.

Fishing is carried on in the various ways that may be seen in many parts of China, but perhaps the most peculiar branch of this industry is the fishing for small winkles, which are required in very large quantities for feeding the thousands of ducks that are bred here artificially. A crowd of boats may always be seen at flood tide, each with one man in it, who is constantly engaged in hauling up his peculiar net, discharging its contents into his boat and then pitching the net out again. Each boat has two nets, which are each furnished with a handle about 4 feet long, and a big stone fastened at the point of junction of handle and net frame. A long cord made fast at one end to the boat, and at the other to the net handle, gives the fishermen full control over his net. On hauling it up to the surface, he lays the handle across the boat, and, sticking one leg over the boat's side, with his foot clears out all the mud which may be in the bottom of the net. This is much less trouble than it would be to stoop over and do it with his hand, and much safer in such very cranky little boats as are used. Having cleared the net out in this way, he turns its contents out into a compartment in his boat, and pitches the net out again. The stone carries it to the bottom, and it is so nicely arranged and balanced as to cause the net to stand on the bottom of the river at the most convenient angle for the reception of the winkles, which are swept into it by the tide.

A few words about the artificial duck-hatching, which is a great feature in the local native industries.

A long, low shed is built, mostly of wattles and mud, with a thick thatched roof. Along the inside walls of this are arranged rough troughs, which are filled up with grain and roasted paddy-husk, on which the eggs are placed as fast as they are laid. In summer no particular precautions are taken, but in winter the eggs are covered over with quilted coverlets, and far more care is taken to exclude cold draughts than is ever dreamt of in a native dwelling-house. The grain, which is sprinkled with a little warm water, sets up fermentation, and that, with the help of the warm

Artificial
duck-
breeding.

paddy-husk, which is continually being changed, hatches the eggs in about 30 days. By this simple and inexpensive process the breeder is enabled to sell young ducklings at such a low price as 35 for 1 dol., or, say, about 1*d.* each. Many flocks of ducks, averaging 500 to the flock, can always be seen up river at low tide, feeding on the mud banks, and attended by a man in a small boat, who occasionally feeds them with some of the winkles mentioned above, and guides them about from place to place by his voice and the action of his boat.

Public works.
Railway.

Public works are, I regret to say, in a languishing condition. As regards the railway, though the line was carried down to the Kelung Wharf early in the year, that part of the line from the wharf to the tunnel, about two miles or less, has never yet been practically available for traffic owing to the constant slipping away of a large bank not far from the tunnel. The cause of this is the want of proper drainage, but though the foreign engineers in Government employ have always explained to the officials the absolute necessity for such drainage, the General in command of the soldiers who are put on to the work always thinks he knows best about the matter, and continues patching and building up, of course to no purpose. The consequence is that no cargo could possibly be brought to the Kelung Wharf, and the scheme for making Kelung an important place, where, if the harbour were dredged, large steamers might come in and take in coal and tea at one and the same time, falls to the ground and must remain there until the railway can be looked upon as a reliable factor in the business, which at present it certainly is not. The prospects are anything but encouraging, seeing that the beginning of 1892 will see the railway with only one engineer to look after it instead of three, one of them having left owing to ill-health, and the services of the second being, in the Governor's opinion, not required. Of the five English drivers only two will be left, and it is doubtful if they will remain after the term of their agreement is expired. Native drivers are to take their places, the result of which will surely be a bad accident or complete break down before long. As far as the progress of the line goes, an additional six miles, with two ticket offices, have been opened on the southern line; rails and ballast have been advanced some distance further, and gaps in the earthwork—filling and cutting previously left undone—have now been pretty well completed for the next 20 miles. The tunnel, parts of the roof of which began to fall in, is to be lined with stone. This will take two or three months to finish, by which time the dangerous bank beyond the tunnel above alluded to is expected to be in good order.

English
school.

The English school is to be closed, as the Governor does not consider the result of its teaching a sufficient return for the cost of its maintenance, in which he is probably not far wrong.

General
remarks.

There was a furious outbreak on the part of the savages in the autumn, which caused much trouble generally, and particular to the camphor trade, as stated above in my remarks on that staple. The cause of the outbreak was characteristic. A short-sighted

official, anxious to find favour with his superiors for the number of heads he could produce, offered a reward of 200 dol. for every head of a savage brought to him. He should have known his countrymen better. Some Chinese, carried away by the desire to obtain this unusually large reward, lost no time in entrapping and beheading some friendly savages, for whose heads they then claimed, and, as far as I know, obtained, the reward. The rest of the friendly savages, furious at the treachery, at once threw off their allegiance to the Chinese Government and joined the other savages with whom the Chinese were carrying on the usual desultory warfare. The fighting then became serious, hundreds of soldiers were drafted from various directions to the frontier, till from 6,000 to 7,000 troops were engaged in trying to find their hardy and intrepid foes, who fight from the jungle, where the Chinese cannot get at them or even see them, and into which their clothing entirely, prevents them from penetrating. The number of savages engaged it is impossible to do more than guess at, but the officials themselves admit that there are probably not more than 1,000 (!) Many Chinese soldiers have been killed, their rifles carried off, and it is said that a small mountain gun was captured by the savages, who are evidently well able to hold their own. Nor is this to be wondered at if the quality of the troops they meet is considered. A poor coolie may be carrying a load along the bend, say at Chinkiang, one day, and a week or so later he appears as a "brave" in Formosa, is given a rifle, the use of which he knows next to nothing about, and is sent to the front to cope with a hardy savage who has been accustomed from his childhood to fighting with some one, and is most expert in the use of his weapons, rude though they may be. In such a case, the primitive spear or bow and arrow is far more effective than the rifle. Happy is the poor wretch who falls to die outright, for if he drops wounded, even if his companions succeed in carrying him off, he probably dies a lingering death, as there is absolutely no provision for the wounded in the way of ambulances or surgical appliances of any kind!

Annex 1.—RETURN of all Shipping at the Ports of Tamsui and Kelung during the Year 1891.

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	85	55,303	11	4,593	96	59,896
Chinese	49	28,987	...	...	49	28,987
German	5	3,742	5	1,414	10	5,156
Other nationalities	...	...	...	...	...	...
Total	139	88,032	16	6,007	155	94,039
„ for the year preceding ...	126	85,637	8	3,303	134	88,940

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	85	55,303	12	4,925	97	60,228
Chinese	49	28,987	...	...	49	28,987
German	5	3,742	4	1,127	9	4,869
Other nationalities ...	...	...	...	...	...	...
Total	139	88,032	16	6,052	155	94,084
„ for the year preceding ...	126	85,537	8	3,440	134	88,977

Annex 2.—RETURN of the Principal Articles of Export from
Tamsui and Kelung during the Years 1890–91.

Articles.		1890.		1891.	
		Quantity.	Value.	Quantity.	Value.
Coal	Tons ...	28,518	\$ 20,673	27,950	\$ 19,752
Camphor	Cwts. ...	7,717	26,050	19,953	63,865
Sulphur	„ ...	6,927	2,998	8,314	4,847
Gold, in dust ... ..	„ ...	...	...	...	15,833
Tea and stalk	Lbs. ...	17,201,600	796,999	18,139,749	667,383
Other articles ... ..	...	...	6,444	...	6,997

Annex 3.—RETURN of the Principal Articles of Import to Tamsui
and Kelung during the Years 1890–91.

Articles.		1890.		1891.	
		Quantity.	Value.	Quantity.	Value.
Opium—			\$		\$
Benares	Cwts. ...	440	213,232	378	213,459
Persian	„ ...	1,898		2,355	
Cotton goods—					
Shirtings, grey and white, plain	Pieces ...	102,419	54,573	103,518	63,017
Cottons, unclassified	„ ...	30,210		48,114	
„ yarn, Indian	Cwts. ...	432	1,577	928	3,344
Woolen goods—					
Camlets and long ells	Pieces ...	4,669	18,147	4,084	17,395
Lastings	„ ...	2,048		1,454	
Woolen, unclassified	„ ...	...	...	...	...
Metals—					
Iron, nail, rod, &c.	Cwts. ...	1,048	23,515	3,520	18,656
Lead	„ ...	13,292		12,247	
Oil, kerosene—					
American	Gallons ...	49,045	13,002	845,420	28,230
Russian	„ ...	16,000		39,000	
Munitions of war ... ..	„ ...	...	2,230	...	19,391
Matches, Japan	Gross ...	124,204	6,005	117,200	5,401

Annex 4.—TABLE showing the Total Value of all Articles Imported and Exported at Tamsui and Kelung from and to Foreign Countries during the Years 1890-91.

Country.	Imports.		Exports.	
	1890.	1891.	1890.	1891.
	£	£	£	£
Hong-Kong	433,162	427,382	33,767	70,497
Japan	185	153	..
Philippine Islands	1,976
Total	433,162	429,543	33,925	70,497

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AND FINANCE.**

CHINA.

REPORT FOR THE YEAR 1893

ON THE

TRADE OF TAMSUI.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 1093.

*Presented to both Houses of Parliament by Command of Her Majesty,
JUNE, 1894.*

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CHINA.

TAMSUI.

Acting-Consul Hopkins to the Earl of Kimberley.

My Lord, *Tamsui, March 22, 1894.*
 I HAVE the honour to forward herewith my Report on the
 Trade of Tamsui and Kelung for the year 1893.
 I have, &c.
 (Signed) L. C. HOPKINS.

*Report on the Trade and Commerce of Tamsui and Kelung for the
 Year 1893.*

ABSTRACT of Contents.

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(1759)	A 2

Gross trade.

In a year of almost universal trade depression North Formosa has prospered. The gross value of the trade of Tamsui and Kelung was in 1893 the largest on record, and amounted in sterling, reckoning the Haikwan tael as equivalent to 3s. 11d., to 3,543,207*l.*, an increase over the previous year's figures, in spite of a fall of 5*d.* in the gold value of the Haikwan tael, of 287,347*l.*

This increase over the preceding year is exhibited in both imports and exports. In 1888, however, the former category was higher by 6,320*l.*, the tael then standing at 4s. 8*d.*

The following table shows the totals of imports and exports for the 2 years:—

TABLE showing Comparative Value of Imports and Exports during the Years 1893-92.

				Value.		
				1893.	1892.	Increase in 1893.
				£	£	£
Imports..	..	..	..	610,114	518,228	96,886
Exports..	..	..	..	983,093	742,632	190,461

Imports.

Opium.

Examining Table 2, in which imports are classed in the groups, opium, cotton goods, woollens, metals, and sundries, we find with regard to opium a decrease in the total import of 18 cwts., a decrease shared in by both the kinds (to all intents there are only two kinds), Benares and Persian, which are consumed here.

The consumption of the Persian drug, it will be noticed, is now about 11 times as great as that of Indian. 10 years ago less Persian was taken than Indian, the ratio being then as 5 to 7. 10 years before that again, in 1873, the import of Indian opium was 11 times as great as the Persian total, the two classes having thus, by a curious coincidence, exactly changed places in the 20 years.

Formosa is therefore, for the above holds good in the main of the south of the island also, a lost field for the Indian poppy; the comparatively trifling demand for Benares opium that still exists being accounted for by the preference for that description that marks the Cantonese colony, here as elsewhere, and by the luxurious taste of the rich landed proprietors. Apart from these persons, were the supply of Indian opium absolutely cut off to-morrow, the market here would remain unaffected. No one would have to give up smoking nor to alter his tastes or habits. Formosa in fact would remain calm. No doubt, it may be said, Formosa is but one, and that the smallest, of all the Chinese

provinces. That is true. But what is there to prevent the example of this province being followed by others, given the alternative, I purposely leave Chinese grown drug out of consideration, between Persian opium and total abstention? I have dwelt on this point because the fact "that producing countries not under the British flag are not only ready to supply the field in the future, but have made considerable advance in their supplies in the past,"* seems generally to be ignored or little known, no reference to it, for example, being contained in the list of questions recently circulated by order of the Royal Commission on Opium.

There is but little change to note in this group. Taking, for purposes of comparison, the hundredweight, which is the classifier of cotton yarn, as equivalent to the "piece" for the other descriptions, the total of the cotton goods shown on Table 2 was 168,842 for 1893 against 158,119 in 1892. But of this increase of 10,723 pieces, only about 3,300 are to the credit of white shirtings, and 1,600 of grey. There is a decrease of 800 pieces in the very small supply of T-cloths, a proportionately marked falling-off in unclassified cottons, 10,900 pieces against 16,400, while 9 cwts. less cotton yarn arrived than in the year before. It is Japanese cotton cloth that has redressed the balance. The figures of this fabric stand at 74,520 for 1893 against 62,444 for 1892, an advance of over 12,000 pieces. Indeed the total seems nearly to equal that of grey and white shirtings together, but the fact is not really so, because the "piece" of the Japanese cloth has only about one-third of the contents of the "piece" of shirtings.

Nevertheless, when it is remembered that in 1891 the import of the eastern-made cloth was 34,000 pieces, and in 1882 no more than 540 pieces, it is easy to appreciate what is taking place. In this market, at all events, Japanese cloth has come into severe competition with shirtings, and handicapped as the latter are now by the crushing weight of exchange, is, I much fear, gaining the day. Thus the average number of pieces of grey and white shirtings, taken together, imported into Tamsui during the decade 1884-93 was, in round numbers, 90,000; last year it was 80,000. The average of grey shirtings alone was 43,000; last year it was 38,000. The average of white shirtings for the same period was 48,000; last year 42,000. Again, 20 years ago the quantity of grey shirtings arriving was practically the same as now, though the import of white shirtings was only one-fourth of the present demand. It seems, in fact, as though the limit of consumption in this direction had been reached already in North Formosa, and that beyond the small increments occasioned by the natural growth of the population, there was in any case not much expansion of this branch of trade to be looked for. But in addition to the crippling effects of the present exchange, which, of course, acts directly in favour of the Japanese manufacturer, the article produced by the latter appears to have hit the popular

* Mr. H. B. Morse, Decennial Report on Tamsui, 1882-91, p. 15. (1759)

Cotton
piece-goods.

White
shirtings.

Grey
shirtings.

T-cloths
decreased.

Unclassified
cottons.

And cotton
yarns also.

Heavy
increase in
Japanese
cotton cloth.

Rapid growth
of Japanese
cloth imports.
Competitions
with shirtings

Popularity
of Japanese
cotton cloths.

taste, being especially suited for underclothing. It is cheap. Thus a piece 12 yards long by 2 feet wide is sold here retail for about 1 dol. 50 c., say 3s. This will suffice to make a man of average size three jackets. It is "warm," by which is meant that it absorbs perspiration freely, and does not, like foreign shirtings when soaked in this way, offer a chill and clammy surface to the body of the wearer. It is in various patterns, with stripes or other decorative attractions, for all sorts of tastes. It is of a texture that makes frequent washing less necessary, the need of it less obvious, and the process less troublesome and lengthy than is the case with shirtings. In short, it is a success, and "everybody wears it." Still, I am glad to say, there is a demand for a higher class of fabric which, so far, Japan has not met, and England and America may still retain, unless China herself can wrest the market from them.

The Japanese cloth is not adapted for receiving the blue and black dyes ordained by custom, the former for the outer coats of both sexes, and the latter for the trousers of women. Nor will custom sanction as yet the use of other than shirtings for certain garments used in the grave clothes of the dead.

Woollens.

It will be seen that the import of this class of textiles is very small and almost stationary, such movement as there is being backwards. But no large demand for woollens could ever be looked for in Formosa, with its tropical or semi-tropical climate.

Metals.

The total of this group, stated in hundredweights, was last year 22,306, against 22,461 in 1892, showing a small decrease of 155 cwts.

Manufactured iron.

The item of manufactured iron is insignificant, 2,785 cwts. only, and has dropped from 4,000 cwts. in 1892.

Lead and tin.

The demand for lead and for tin is governed by the season's crop of tea, the former being required for the lining of the tea boxes, and the tin for soldering them down.

Present import of metals insignificant

Some day perhaps the import of metals may be less trifling than it is now, but at present there is something almost pathetic on being asked by manufacturers at home to supply them with the names of importers of machinery "such as ours."

One item not shown on Table 2 was a consignment of railway locomotives mentioned in another part of this report.

Sundries.

Sundries.

Of the six items under this heading, four are of foreign origin, and again it is Japan which claims the only one that shows an increase. The import of Japanese matches rose from 136,450 gross in 1892 to 140,900 gross last year. Llama braid shows a small decrease, and kerosene oil, both American and Russian, a very heavy one of over 134,000 gallons for the former, and but little less than 400,000 gallons for the Russian kind.

**Japanese matches.
Llama braid.
Kerosene oil.**

Popularity and cheapness of Japanese

Another instance of successful Japanese enterprise is seen in umbrellas. The returns in the customs tables under this head, if

I am not misinformed, do not represent by a long way the quantities actually arriving. The favourite kind here is a light one with an ornamental handle and alpaca covering, a very serviceable and by no means "Gampish" article, sold in Tamsui retail for 75 c., say, at present rates, 1s. 6d. And silk umbrellas, really well made, for 2 dol. 25 c., say 4s. 6d. I need not remark that they are immensely popular.

Rice.

This staple concerns foreigners only in so far as it becomes steamer cargo. Last year it will be seen there was a large import of 304,000 cwts. It has often been pointed out, for instance, by Mr. Hosie in his "Report on the Island of Formosa" (1893), page 10, that the supply of rice now is "little more than sufficient to meet home requirements, except when the harvests prove exceptionally bounteous." This they did not do last year. On the contrary, an average fruit crop was succeeded by a drought-strangled autumn harvest, necessitating supplies from the mainland.

Exports.

The trade in this product is rapidly growing in importance. The export in 1893 was much the largest on record, and more than double that of the previous year, amounting to 32,134 cwts., against 15,440 cwts. for 1892, which total, however, in consequence of disturbances on the border, was smaller than in 1891. To all appearance this branch of business is destined to increase still more in the near future, especially if certain difficulties which somewhat detract from the market value of Formosan camphor as compared with the Japanese product can be overcome. As conducted in North Formosa the business requires the command of considerable capital on the part of the exporter, whether foreign or Chinese, and is attended with a good deal of pecuniary risk. Heavy advances have to be made to enable the stoves to be built and current expenses to be paid. No advance, no camphor, is the rule. Unfortunately, however, there may be plenty of advances without any returns, either in cash or camphor, if the savages should elect to "come out of the grass," as it is locally termed, and raid the spot with fire and spear, leaving the stoves a heap of ashes with a fringe of Chinese corpses.

The export of this commodity shows an increase of 7,245 tons, the figures being 21,748 tons in 1893, against 14,503 tons in 1892. During the year under review the supply has been altogether from the private pits, the Government mine remaining idle, and the machinery, still in situ, being rusted and ruined, owing to neglect and to the water standing in the disused workings. The seams in the immediate neighbourhood of the Government mine have been—at least, nominally—forbidden ground for private

enterprise. Formosan coal is splendid house-coal. It is also good, if smoky, steam coal, though not equal to Japanese. But as to that, it must be borne in mind that none but surface coal is available here, whereas that produced in Japan is mined from deep seams, and were mines of the same character allowed in Formosa the quality of the output would doubtless improve.

Sulphur. Sulphur was exported in 1893 to the amount of 5,747 cwts., against 3,357 in the previous year. Commercially speaking, it is of little interest to foreigners, as it is the subject of a Government monopoly.

Gold. One article that does not appear in Table 3 is gold, as, for obvious reasons, very little is declared at the foreign customs. Gold-washing, however, has been regularly carried on throughout the year. What the yield may have been it is impossible to ascertain or even to guess, since nobody, Chinese or foreigner, knows.

The Government has farmed out the collection of license fees, and does not concern itself further in the matter.

But a change is said to be impending, and the trade report for 1894 may have more to say on the production of the precious metal than has been the case hitherto.

Tea. The export of tea was in 1893 the largest on record, reaching a total of 21,859,867 lbs., against 18,228,933 lbs. for the previous year. To show the growth of production of this staple in North Formosa I may mention that last year's figures are almost double those of 1878, and six times those of 1874.

The custom returns have hitherto classified all tea exported hence as Oolong, but this year a second description has been distinguished under the name of Pouchong.

Export of Oolong tea and of Pouchong (a scented tea). In round numbers, 20,000,000 lbs. of Oolong tea left the port, and 1,800,000 lbs. of Pouchong. The latter is a scented tea specially made up for Chinese consumption in the Straits Settlements, Java, and Sumatra.

Notes on the tea season of 1893. I am indebted for the substance of the following notes on the season of 1893 to Mr. A. F. Gardiner, of Messrs. Boyd and Company.

The season opened early, and buying became general towards the end of April, ceasing late in November.

Prices at first were higher than in the previous season, but the state of exchange being considered, not remarkable. In a few days after the opening, however, the market advanced rapidly and continued very high up to the beginning of August. A slight drop took place at the end of that month, but towards the end of September, owing to large settlements in Amoy, prices again rose till the previous rates were reached, so that high prices may be said to have prevailed all through.

Largeness of crop. The quantity was in excess of any previous year, attaining a total of 465,597 half chests. This was due to a very large spring crop, for the summer crop was a very small one and the autumn pickings not out of the way.

Reasons. New plantations, high prices, and a cause which furnishes subject for much complaint, the im-

portation of inferior teas from Wenchow and Amoy which are mixed with the true Formosa Oolong to the great detriment of its character, and thus put on the Twa-tu-tia market, account for the size of the 1893 crop.

The quality of the 1893 teas, taken all round, was poor. The spring crop came on so suddenly that the Chinese in the country were taken quite unawares, and nearly all the teas were brought to market without having been properly prepared. They were chiefly middle and lower grades of poor character. Quality of 1893 teas poor.

The summer crop was the best of the season.

The earlier autumn crop was good in leaf but very poor in cup. However, they were liked in America.

The late autumn teas comprised some of the worst ever on offer in this market. It was in this crop that the inferior teas from the mainland were mixed, including some that had been damaged in a typhoon and were brought over here and re-fired.

As to the financial results of the season the growers in the country are said to have made money, and the native "packers" or tea buyers to have lost as much, it is reported, as 150,000 dol. Results of tea season to growers. To Chinese buyers.

I learn also that the tea lekin farmer who paid for his privilege in 1893, 350,000 dol., has had to increase this sum by 25,000 dol. for the coming year. To tea lekin farmer.

Shipping.

Table 1 shows a larger total of vessels entering and clearing from Tamsui and Kelung, but there is but little real change to report. Increase.

The port has regular steam communication with Hong-Kong via the mainland ports of Amoy and Swatow by the line of steamers of Messrs. Douglas Lapraik and Company, of Hong-Kong. Between here and Amoy there runs also one of the two steamers belonging to the "Formosa Trading Company," the other maintaining a somewhat erratic connection with Shanghai. Regular steam communication with Hong-Kong. With Shanghai.

These two vessels, the "Smith" and the "Cass," really form part of the assets of the provincial Government, and the expenses of keeping them in repair, payment of officers and crew, &c., would have to run on whether they were earning money or lying idle. Nature of conditions under which vessels of "Formosa Trading Company" run.

Accordingly they "earn whatever they can" in the way of freight and passage, but it is clear that they are not managed on very relentlessly economical principles, or they would not so frequently be detached to convey mysterious coffins or to await vaguely expected official families.

General Remarks.

Mr. Hosie, in his recent "Report on the Island of Formosa," pointed out that "under the present Governor retrenchment and economy are the order of the day." This is the precise truth, but Present Provincial Government cautious and economical.

Not
reactionary.

what is not so, though I think it is sometimes believed, is that the present administrative condition is one of total stagnation or even of reaction. The following notes will show that matters are not so bad as that, marked though the contrast is between the present régime and that under the late Governor Liu.

Railways.

Railways.

There are two lines of railway in Formosa, both having their termini in the present capital, Tai-peh-fu (of which Twa-tu-tia is practically a suburb), the northern and the southern branches.

Northern
line.

At the beginning of 1893, the northern branch, that between Twa-tu-tia and Kelung, was working regularly between those places, a distance of $19\frac{1}{4}$ miles, with a daily service of two trains each way, though interrupted at a spot called Patu, by a gap due to the loss of a previously existing wooden bridge during a heavy freshet, on September 6, 1892. In the course of 1893 this has been replaced by a new steel bridge supported on stone abutments, which was opened to traffic on October 29 last.

Southern
line.

At the commencement of 1893 this ran as far as a temporary station called Yang Shih Wu, $33\frac{1}{4}$ miles from the Twa-tu-tia terminus. On June 5, an extension to Fêng Shan Chi, $39\frac{1}{4}$ miles, and on June 19, a further extension to the district city of Hsin Chu (locally called Teck Cham), $43\frac{1}{2}$ miles, were opened. The latter remains the terminus southwards for the present. No serious interruption of traffic has occurred, and since the re-engagement of Mr. J. Fenwick, as locomotive foreman, and the increase in the number of engines, the previous petty interruptions and delays have much diminished.

Bridging
work.

Between Fêng Shan Chi and Hsin Chu, a good deal of bridge-work has been done, and almost entirely by the Chinese alone, under a Cantonese known as "Chang, the bridge builder," who undoubtedly must be, in his way, a competent man.

The first bridge is immediately south of Fêng Shan Chi. It consists of 1 span of 200 feet, 3 spans of 50 feet, 1 span of 120 feet, all of steel, and 6 spans of 30 feet each, of wood.

Less than 1 mile further, at T'o Tzü P'u, is the next bridge, consisting of a number of wooden spans, and one 50 feet, and one 200 feet steel spans.

After another mile or so comes the Hung Mao Tien Bridge, of several small timber spans, with one steel span of 50 feet, and a second of 150 feet.

Some of the timber work of the above bridges was done in 1892, but all the steel spans were erected last year.

Difficult river
to bridge in
next section.

And here the southern line stops short, the authorities being probably hindered from continuing by the knowledge of the serious difficulty and expense confronting them in the bridging of the Tyka River.

Arrival of
new rolling
stock in 1893.

During 1893, three new engines, four passenger coaches, and six wagons, were received from Birmingham, and a telephone system was installed on the northern branch.

In the course of the summer the superintendent doubled the rates charged, with the result that the traffic fell off. There seems to have been a partial recovery since, but no information, even of the most general kind, as to the makings of the lines is obtainable.

A small slip for repairing Government steam launches has been constructed at Twa-tu-tia, which it is intended to enlarge, and one launch has had repairs effected there.

Repairing
slip for
Government
launches.

General Remarks.

During the year the Government has turned out a considerable amount of subsidiary silver coinage. This, however, has been done without any minting machinery properly so-called, but the coins have been struck by cartridge-making machines, slightly altered, which answer fairly well, though only 5-cent. and 10-cent. pieces can be issued, as the press is not strong enough to coin the heavier 20-cent. pieces. The intrinsic value of these coins is, I believe, not so great as those minted in Canton, but the telegraph offices and the railway ticket offices receive both kinds at par, which they refuse to do in the case of Hong-Kong, Japanese, or other similar currency.

Minting of
subsidiary
silver coins.

Another mark of progress has been the partial completion and opening of a powder factory at Twa-tu-tia. It is not as yet working to its full extent, as some of the machinery made in the arsenal is still unfinished. Judging from the past, the manufacture and preparation of warlike stores seems likely to act as a permanent check on the population of North Formosa, owing to the incurable carelessness of the workmen. Since I arrived in November last there have been three explosions due to the heedless handling of powder or loaded projectiles.

Opening of
powder
factory.

Explosions
due to
carelessness
of workmen.

The first was an experiment in military mining. This experiment cost the life of the man holding the danger-signal flag who was instantly killed.

The second explosion took place in January last at the arsenal, when two men were killed and six others wounded.

The last and severest explosion has occurred while I have been writing this report. Three day ago I felt a dull shock which made the house vibrate, and learnt later that it had been the effect of the blowing up of a part of the factory, 10 miles distant, in which powder was actually being made. Seven men, all that were at work, were instantly killed. I doubt, however, if other workmen will be rendered more careful in future in spite of this disaster.

In concluding the present report I desire to express my thanks to Mr. H. B. Morse, commissioner of customs, for his courtesy in affording me access to the customs returns, as well as to Mr. H. C. Matheson, consulting engineer to the Formosan railways, for valuable notes.

Conclusions.

Annex 1.—RETURN of all Shipping at the Ports of Tamsui and Kelung during the Year 1893.

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	91	57,380	3	996	94	58,376
Chinese	74	46,633	...	...	74	46,633
German	23	9,876	6	1,506	28	11,382
Spanish ... ..	...	...	2	134	2	134
Norwegian ... ..	...	...	1	193	1	193
Total	188	113,889	11	2,829	199	116,718
„ for the year preceding ...	134	80,483	9	2,636	143	83,119

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	91	57,380	4	1,328	95	58,708
Chinese	74	46,633	...	...	74	46,633
German	23	9,876	6	1,506	28	11,382
Spanish ... ..	...	...	2	134	2	134
Norwegian ... ..	...	...	1	193	1	193
Total	188	113,889	12	3,161	200	117,050
„ for the year preceding ...	134	80,483	9	2,791	143	83,274

**Annex 2.—RETURN of Principal Articles of Import into Tamsui
and Kelung during the Years 1892-93.**

Articles.			1892.		1893.	
			Quantity.	Value.	Quantity.	Value.
				\$		\$
Opium—						
Indian, Benares ...	Cwts.	...	209½	15,272	200	14,817
Persian... ..	"	...	2,296½	158,631	2,237	169,000
Cotton goods—						
Shirtings—						
Grey	Pieces	...	36,898	14,977	38,487	14,928
White	"	...	38,616	19,449	41,969	20,106
T-cloths	"	...	3,199	819	2,400	672
Japanese cotton cloths	"	...	62,444	3,477	74,520	5,202
Cotton, unclassified	"	...	16,382	...	10,898	4,896
Cotton yarn	Cwts.	...	693	2,180	632	1,961
Woolens—						
Camlets, English ...	Pieces	...	2,678	4,769	2,668	4,228
Lastings	"	...	1,258	1,747	1,118	1,518
Long ells	"	...	1,660	1,612	1,672	1,483
Yarn and thread ...	Cwts.	...	184½	2,215	153½	1,796
Metals—						
Manufactured iron ...	"	...	4,019½	2,025	2,784½	1,828
Copper	"	...	2½	...	71½	196
Tin	"	...	172½	820	184½	871
Lead	"	...	18,243½	14,627	19,268½	11,372
Sundries—						
Beans	"	...	37,958½	12,806	39,993	11,080
Llama braid	Packages	...	16,685	1,125	9,578	604
Flour	Cwts.	...	11,962	6,913	17,831	8,543
Matches, Japanese ...	Gross	...	136,450	5,685	142,900	5,466
Kerosene oil—						
American	Gallons	...	568,080	12,459	433,710	8,013
Russian	"	...	837,970	18,198	439,190	8,998
Rice	Cwts.	...	33,464½	7,809	304,133	34,439

**Annex 3.—RETURN of Principal Articles of Export from Tamsui
and Kelung during the Years 1892-93.**

Articles.			1892.		1893.	
			Quantity.	Value.	Quantity.	Value.
				\$		\$
Camphor	Cwts.	...	16,440½	49,449	82,134	116,236
Coal	Tons	...	14,503	8,638	23,748	12,104
Hattans	Cwts.	...	792	335	967	348
Rice	"	...	39,327	9,188	...	...
Sulphur	"	...	3,357	1,616	5,749	1,891
Tee—						
Oolong	Lbs.	...	18,228,933	634,778	20,047,200	730,690
Pouchong	"	...			1,612,667	62,727

Annex 4.—TABLE showing Total Value of all Articles Exported from and Imported to Tamsui and Kelung from and to Foreign Countries and Chinese Ports during the Years 1892-93.

Country.	Imports.		Exports.	
	1892.	1893.	1892.	1893.
	£	£	£	£
Great Britain	1,200	3,819	..	..
Hong-Kong	323,512	348,322	74,941	120,306
Straits Settlements ..	..	561	..	..
United States of America	3,351	1,694	..	..
Continent of Europe				
and Russia	4,019	..	..	..
Japan	375	287	..	59
Cochin China, Tonkin,				
and Annam .. ..	..	7,634	..	..
Java .. ..	..	426	..	..
Chinese ports	180,771	249,371	667,691	812,728
Total	518,228	610,114	742,632	933,093

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CHINA.

REPORT FOR THE YEAR 1894

ON THE

TRADE OF TAMSUI.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 1395.

*Issued during the Recess and Presented to both Houses of Parliament
by Command of Her Majesty.*

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1523. Dakar	½d.	1583. Rio Grande do Sul	4d.
1524. Havana	2d.	1584. Nagasaki	1d.
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CHINA.

TAMSUI.

Acting-Consul Hopkins to the Earl of Kimberley.

My Lord,

Tamsui, April 15, 1895.

I HAVE the honour to forward herewith my Report on the Trade of Tamsui and Kelung for the year 1894.

I have, &c.

(Signed) L. C. HOPKINS.

Report on the Trade of Tamsui and Kelung for the Year 1894.

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(1896)

It is again a pleasant duty to report a successful year for the commerce of North Formosa.

Gross value
of trade.

The gross value of the trade of Tamsui and Kelung in 1894 was 1,378,848*l*. This is a decrease on the previous year's total of 164,359*l*.* But the Haikwan tael in 1893 was equivalent to 3*s*. 11*d*., in 1894 only to 3*s*. 2*d*. Accordingly, the customs returns show an increase instead of a diminution in the total trade, 8,708,516 taels, as against 7,880,204 taels for 1893. The former sum represents the largest trade ever recorded here, the previous year ranking next.

TABLE showing Comparative Value of Imports and Exports during the Years 1893-94, both in Sterling and Haikwan Taels.

				Value.		
				1893.	1894.	Increase or Decrease in 1894.
				£	£	£
Imports	..	..	..	{ 610,114	573,605	— 36,509
				Taels.	Taels.	Taels.
				8,115,475	8,622,771	+ 507,296
				£	£	£
Exports	..	..	..	{ 933,093	805,243	— 127,850
				Taels.	Taels.	Taels.
				4,764,729	5,080,745	+ 316,016

Thus the totals of both imports and exports show decrease of sterling, but increases of silver values during the past year.

Imports.

Comparison
of the main
group of
imports.

Before examining the figures of the individual items of Table 2, it is worth while to compare the values of the totals of the main groups—opium, cotton goods, woollens, metals, and sundries for the two periods, 1893 and 1894. These totals are obtained from the tables in the customs returns, which contain a number of heads omitted from Table 2, which deals only with the principal articles.

The following table exhibits these totals, both in sterling and in silver. Native imports are not included. It should again be noted that the exchange for 1893 is reckoned at 3*s*. 11*d*. to the Haikwan tael, and for 1894 at 3*s*. 2*d*. :—

* The total for 1893 was 1,543,207*l*., not 3,543,207*l*., as printed in the report for that year.

	Value.		
	1893.	1894.	Increase or Decrease in 1894.
Opium	£	£	£
	185,520	168,078	- 17,447
	Taela.	Taela.	Taela.
Cotton goods.. ..	£	£	£
	46,918	64,515	+ 17,597
	Taela.	Taela.	..
Woollens	£	£	£
	14,152	16,046	+ 1,894
	Taela.	Taela.	..
Metals	£	£	£
	22,072	35,415	+ 13,343
	Taela.	Taela.	..
Sundries	£	£	£
	158,101	174,209	+ 21,108
	Taela.	Taela.	..

It will be seen from the above table that the drain on this part of the island for the payments required for opium is heavier than that for any of the other four groups except sundries, which exceeds it by some 6,000*l*. But sundries is an "omnium gatherum" of over 150 different heads, and includes the important item of kerosene oil. The value of all the cotton goods, woollens, and metals together, imported to Tamsui, is much less than the one article of opium.

Proceeding to the individual items of the above groups we come first to opium. There was a noticeable increase in the Benares ^{Benares.} drug, the returns showing 238 cwts., against 200 cwts. in 1893, apparently due to less heavily increased prices compared with Persian. The import of the latter has fallen from 2,287 to ^{Persian.} 1,880 cwts., a loss of 407 cwts. in the year. Particulars of the reasons of this have not reached me, beyond the general statement of a bad poppy harvest in Persia; and apparently exchange affects this branch of trade also. The spirits of the local consumers have been considerably exercised from time to time over the rise in prices; and as it was known early last year that I was making inquiries on various points connected with opium consumption in North Formosa (really in preparation for a paper for the Royal Commission on Opium), it was reported as the explanation that the British Government was about to prohibit or largely restrict the trade in this popular drug.

(1986)

Native. There can be no doubt that much Chinese opium does reach Formosa, but as it has not hitherto been brought in foreign bottoms, and therefore does not appear in the customs returns, it is impossible to ascertain its amount. I am, however, informed by a Chinese, who has every reason to know, that no junk enters this river without 2 or 3 kegs of it.

Shirtings in general. The next group is the interesting one of cotton goods. The tendency to an equality in supply between grey and white shirtings has this year become very marked. Both kinds in 1894 stood at slightly over 57,000 pieces, and these aggregates are the more satisfactory inasmuch as they show not only a large increase over 1893, but over the average of the decade 1884-93 as well, which is more remarkable. Thus the average of grey and white shirtings taken together during the above decade was 90,000 pieces; in 1893 it was 80,000 pieces; last year, 114,000 pieces. So with grey shirtings alone, for the decade, the figures were 43,000 pieces; for 1893 they were 38,000 pieces; last year, 57,000 pieces, the largest import on record here. For white shirtings, also, the totals were respectively, 48,000, 42,000, 57,500 pieces. These figures are satisfactory, and in some degree surprising. For the growth has occurred in the face of an unprecedented fall during the year of 9*d.* in the gold value of the tael, which one would suppose ought to have greatly checked the demand. But more than that, it has taken place along with, and in spite of, a very large increase in the imports of Japanese cloths.

Grey.
White.

Increase in, coincides with increase in Japanese cloths. Possible explanations.

Undoubtedly the Chinese in the island have prospered, and made money for the last few years; probably the population is increasing steadily also; but I scarcely think this is a sufficient explanation. Perhaps the presence of considerable numbers of native regiments under arms, or at any rate in uniforms, has something to do with it. The native or Formosan braves wear military coats made from grey shirtings dyed, and are thus distinguishable from the troops brought over from the mainland, who usually wear coats of camlets, with only a round patch of undyed shirting sewn on both front and back, which I may incidentally remark afford a quite ideal bullseye, as they exactly cover the most vital portions of the body. Then, again, grey shirtings are used for the bags in which tea is brought from the plantations to the market in Twatutia, and the demand on this account must now be large.

T-cloths. T-cloths show a trifling increase, but it is on an insignificant total.

Japanese cloths. Japanese cotton cloths of all kinds have once more made an enormous stride forwards. Their total value in 1893 was 5,202*l.* for 74,520 pieces; last year it was 7,855*l.* for 125,597 pieces, an augmentation in quantity on the single year of 75 per cent.

The customs returns for 1894 have begun to distinguish between the various descriptions of these eastern-made piece-goods, and enumerate Japanese Turkey-red shirtings, cotton crape, cotton flannel, cotton cloth, and cotton towelling. Of

these, cotton cloth is by far the leading article, with 60,624 pieces. Cotton crape follows, with rather more than half the quantity, or 33,280 pieces. Cotton towelling, 15,880 pieces, and cotton flannel, 15,314 pieces, come third and fourth on the list; and the last and least is Japanese Turkey-red shirtings, with a bare 500 pieces. Formosan patriotism does not by any means go to the length of refusing to wear the products of the enemy's mills. On the contrary, the totals for each of the two quarters since war was declared are larger than those in the preceding quarters of 1894. Japanese cottons not boycotted during the war.

Cotton towelling appears for the first time as a separate heading, with 6,564 dozens, of which 2,000 are of Japanese manufacture.

Another first appearance as an independent entry is Indian sheetings to the amount of nearly 3,000 pieces. Indian sheetings.

As may be noticed from the foregoing table, there is an increase in value for the total woollen goods of 1,894%, which is contributed to by each of the four varieties in Table 2, viz.:—English camlets, lastings, long ells, and woollen yarn and thread. Beyond this, there is nothing requiring notice in this class of manufactures. Woollens.

The foregoing table certifies to a gratifying growth in the demand for metals and their manufactured products. Measured in silver the import in 1894 was nearly double that of the previous year. In sterling it was 13,343%, the figures being 35,415% against 22,072% in 1893. Of the five heads given in Table 2, viz., Pig-iron, manufactured iron, copper ingots, tin, and lead, all have increased in quantity, pig-iron appearing for the first time with a total of 4,508 cwts. Manufactured iron stands for nearly double the previous year's figures, and exceeds those of 1892 also by 1,300 cwts. Copper ingots are almost entirely increase, 2,393 cwts. against 72 cwts. in 1893. Tin and lead exhibit only moderate augmentations. Metals.

I have thought it of sufficient interest to extract from the customs returns the figures and values of all those articles which are brought into the port owing to the requirements either of the arsenal at Twatutia, the railway, or the forts. Under metals probably almost the whole import of the following items is accounted for by the existence of the above Government establishments:—Pig-iron, iron rivets, screws, bolts, washers, tubes and castings, copper in various forms, steel bars and plates, spelter, and machinery. In the aggregate these amount to over 12,427 cwts. (the weights of the iron, tubes, and machinery not being stated), and were valued at 13,784%. Copper and spelter head the list in value, pig-iron standing next. Imports of metals as affected by presence of Government establishments.

We come now to the last main group of foreign import, and here too a fair advance is observable, the total sterling values being 153,101% in 1893 and 174,209% in 1894. Sundries.

The principal heads in the order of their relative value are American kerosene oil, Russian kerosene, American flour, Japanese matches, cement, Llama braid, and Sumatran kerosene. There is

a strikingly cosmopolitan complexion about this list, in the constituents of which, apart from an interest in them as freight payers for British shipping, we seem to have little share. All the llama braid that comes here is made in Germany, so that of the leading sundries there remains only cement made by the Green Island Cement Co., a Hong-Kong enterprise, with works in the Portuguese colony of Macao.

Kerosene. There is once more a very large addition to the quantity of this popular illuminant. In 1893 the consumption was some 870,000 gallons, from which it rose last year to over 1,377,000 gallons.

Large growth of American oil. There is another noticeable fact about it, that while in 1893 American and Russian oil came in nearly equal quantities, in 1894 the import of the former kind was practically double that of Russian, though the latter had not decreased, but showed an excess of 16,000 gallons over the previous year's figures. This looks like a verdict for the American product, which I believe is to be attributed to its burning less rapidly than its rival and giving a somewhat better light. **Sumatran kerosene.** Sumatran oil appears for the first time in the returns and only to the extent of 21,000 gallons. It is too early to ascertain what prospects it has of maintaining a place in the import list.

American flour. American flour was taken to the extent of 16,660 cwts., rather less than in 1893, but there is no reason to think the demand is really decreasing, but the contrary.

Japanese matches. There is another large excess over the previous year's figures under Japanese matches, which reached 203,000 gross against 143,000 in 1893.

Llama braid. Llama braid, made in Germany, also rose from 9,500 to over 16,000 packets.

Cement. The cement, of which 7,764 packages were imported, has been required for the use of the railway, and was in special demand for the military authorities for the forts at Kelung and elsewhere.

Sundries imported for Government establishments. These same establishments also account for several other descriptions of sundries given in the customs returns. Thus, machine belting, hardwood timber, turpentine, sulphuric acid, and telegraph materials were in all probability solely for the railway, the arsenal, the telegraph line, and one or two other Government departments. The aggregate value of these materials was 7,443*l*.

Munitions of war. Finally I may mention that munitions of war arrived to the amount of 38,475*l*. Leaving these last out of account we may place the value of the metals and sundries taken by the various Government establishments at 21,227*l*.

Table showing effect of exchange on selected foreign imports. The following table shows the comparative retail prices at Tamsui of a few typical foreign articles in the month of March during the years 1893-95. I have procured the figures from a very well-informed and reliable Chinese in business here, wishing to ascertain the effect of the fall in silver on the cost of the principal imports in popular demand. The prices are of course given in the currency of the island, namely, dollars.

			Price.					
			March,		March,		March,	
			1893.		1894.		1895.	
			Dol.	c.	Dol.	c.	Dol.	c.
Persian opium ..	..	Per chest ..	500	0	690	0	840	0
Grey shirtings ..	..	Per piece ..	2	20	3	10	3	10
White shirtings ..	..	" ..	3	10	4	80	4	80
Japanese cotton crape..	..	" ..	1	0	0	86	0	87
English camlets ..	..	" ..	11	50	12	0	13	0
Lead ..	..	Per picul ..	6	50	8	0	9	0
Flour ..	..	Per sack ..	1	60	1	85	1	75
Kerosene oil ..	..	Per case ..	2	0	2	20	2	20

With regard to Persian opium, as remarked above, the price seems to have been affected by other causes than exchange. Flour also is exposed to other disturbing influences which conceal, if they do not nullify, that of exchange. But though the percentages of increase in cost differ much for seven of these selected articles, the eighth, Japanese cotton crape, stands in sharp and striking relief to the rest, and while a piece of grey shirtings cost in March, 1894, 90 c. more than in March, 1893, the Japanese crape cost 14 c. less than it had in the latter month, and it had scarcely moved from that point two years later. In other words, while the local retail prices of grey and white shirtings had increased 40 and 35 per cent. respectively, that of Japanese crape had decreased 14 per cent.

Native Imports.

The value of these has fallen, the total standing at 115,555*l.*, ^{Decrease in value.} against 154,283*l.* in 1893. The principal articles in order of their importance were rice, silk piece-goods, tea, wood planks, grass cloth, joss stick, and native cloth. They furnish little subject for comment in a trade report.

Exports.

As pointed out above, the gold value of the total exports has ^{Decrease in value.} decreased by nearly 128,000*l.* Table 3 shows that this holds good for four of the six principal articles, taken separately, viz., camphor, rattans, sulphur, and the great staple of the export trade, Oolong tea. The values of coal and Pouchong tea, which is sent away for consumption by Chinese beyond the sea, have increased.

Camphor, the actual quantity of this valuable product shipped ^{Camphor.} from Tamsui was larger in 1894 than in 1893 by about 1,000 cwts., but the average price obtained in Hong-Kong was less per

picul of 133½ lbs. by 1·60 Haikwan tael for the same period. This and exchange account for the fall in total value from 116,836*l.* to 90,149*l.*

There were unusual fluctuations of price during the year. The quotations in Hong-Kong during the June quarter touched a lower level than for many years previously, while for the latter 6 months of the year prices recovered themselves, partly owing to the disturbed state of the producing districts which threatened the supply, and partly in consequence of the war and an anticipated blockade.

Coal.

Exports
forbidden
when war
became
imminent.

Of coal 24,243 tons went forward. This is slightly more (by some 500 tons) than in 1893; but it should be borne in mind that just before the war broke out, viz., on July 19, a sudden embargo was laid on the export of Formosan coal, and though subsequently this was so far qualified as to permit steamers trading here to carry enough for their own needs, the conveyance of coal as an article of merchandise was and is still forbidden. If then, in spite of this, an increase is recorded, it is, I am informed, due to greater accuracy in the returns which has been brought about by the embargo itself.

Oolong tea.

Oolong tea is both the cause and the condition of the commercial prosperity, not only of North Formosa, but in great measure of the neighbouring mainland port of Amoy. And whereas not many years ago Tamsui might have been regarded almost as a dependency of the former port, it is a question whether the relative position would not soon be reversed were the normal political status of Formosa to remain unchanged. The total export for the year under review was very nearly 18,300,000 lbs., valued at 480,566*l.*, against 20,047,000 lbs., valued at 730,590*l.* in 1893.

In mere bulk this is a falling-off of some 1,700,000 lbs. Nevertheless the true Formosa crop was probably larger than in 1893, and the smaller figures are due to a satisfactory cause, the decrease, namely, in the import of inferior teas from the mainland for mixing with the island-grown leaf. As much as 60,000 half-chests or 2,580,000 lbs. it is estimated (though this may perhaps be too high) should be deducted from the export of 1893 on this account. The firm stand made in 1894 by the foreign buyers in declining to accept teas containing more than a certain percentage of dust had a good effect.

About half of
entire crop
bought in
Tamsui.

The great feature of the tea season of the year under review, was the settlement of nearly half the entire crop in Tamsui itself. Such a proportion has never been achieved before. The figures are for 1894, purchased in Tamsui 206,000 half chests; in Amoy, 220,000.* For the previous year the totals were, bought in Tamsui, 160,000; in Amoy, 305,000 half chests.

Character of
the 1894 crop.

The standard of the crop, taken all round, was decidedly satisfactory, and showed more careful preparation by the Chinese

* Other figures which I have seen show an even closer approach to absolute equality.

than the crop of 1893. The autumn pickings were much better than any autumn teas for some seasons. Dollar prices were naturally high owing to low exchange, and the country growers made money. So also did the native packers. And I may add that it is understood that the foreign firms engaged in this branch of commerce have no reason to be dissatisfied. Many native tea buyers closed their hong and returned to the mainland when the war with Japan commenced, a step which made matters considerably easier for the foreigners who remained and did business.

The export of Pouchong tea for Chinese, in the buying of which only native firms take part, increased, it will be seen, by about 478,000 lbs. Increase in Pouchong tea.

Shipping.

There was no change in the total amount of shipping frequenting Tamsui and Kelung, the number of vessels of foreign build that entered being 199 both for 1893 and 1894. But the relative proportion of the British flag to the total had slightly increased, and the Chinese decreased. German tonnage had decreased also by not far from half. Stationary.

There were two wrecks during the year. One was a Norwegian schooner, the "Sylphiden," which stranded on the coast to the south-west of Tamsui. She was towed in here, but, being badly damaged, was ultimately dismantled and sold. Wrecks.

The second was an American barque, the "Mary L. Stone," on a voyage from New York to Shanghai with kerosene oil. She went ashore during thick weather at the end of November at a place on the east coast, in the Ilan district, known as Thao Sid, about due east of Steep Island. It was fortunate indeed that she chanced to hit upon almost the only part of that dangerous and ill-omened coast where a ship could strike without the almost certain loss of life of all on board. As it was, the whole of the ship's company, including the wife and son of the master, were saved, the vessel and her cargo becoming a total loss.

General Remarks.

The late Governor, Shao Yu-lien, gave over charge of the island province on October 21. His successor, the present Acting-Governor Tang, previously Treasurer, would probably, under ordinary circumstances, have adopted a more forward policy, but his energies and time have been almost wholly spent on defensive measures and the ways and means for meeting the corresponding heavy expenditure. Governor Shao succeeded by Acting-Governor Tang.

Affairs along the savage border have been, for the most part, unsatisfactory. More outbreaks and turbulence have been reported than for years past, and places that were formerly in the occupation of Chinese settlers are now abandoned and desolate, especially in the central section of the island. Savage border much disturbed.

Railways.

There has been no extension of the railway during the past year, nor any preliminary work done with that end in view.

On April 1 the English superintendent of locomotives left Formosa, and in September Mr. H. C. Matheson, the consulting engineer to the Government, terminated, to the regret of foreigners and natives alike, a 9 years' connection with the island. Considerable damage was done to the railway by heavy rains in October, and interruption to the traffic resulted, especially on the southern line, but the necessary repairs were made without excessive delay, and traffic has since been regular. A railway terminus has been completed at Twatutia. No objection can be found with it on the score of undue elaborateness in decoration or internal arrangements, but its two walls and steel-rail roof provide the necessary shelter from sun and rain, and amply satisfy the Chinese travelling public.

Gold.

Negotiations were on foot during the year between the Government of Formosa and the representatives of a Chinese syndicate for a concession of exclusive rights to work gold mines, including the use of machinery. The two sides could not agree, however, as to terms, and the consultations were for a time suspended. They have since been resumed, and a provisional agreement, it is understood, has been come to, which, however, awaits the termination of the present war. The farm for gold-mining and gold-washing licenses expired at the end of July, and was not renewed, the Government itself resuming the issue of these daily licenses as an official monopoly, from which it is believed to be deriving very fair profits.

I am again indebted to Mr. H. B. Morse, Commissioner of Customs, for access to the customs returns, as well as for information on various points, and to Mr. A. F. Gardiner, of Messrs. Boyd and Co., for supplying me with notes on the past ten season.

Annex 1.—RETURN of all Shipping at the Ports of Tamsui and Kelung during the Year 1894.

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	104	61,215	3	1,230	107	62,445
Chinese	70	39,145	...	...	70	39,145
German	10	5,855	2	871	12	6,726
Swedish and Norwegian	6	2,772	4	926	10	3,698
Total	190	108,987	9	3,027	199	112,014
„ for the year preceding ...	188	113,889	11	2,829	199	116,718

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	103	60,541	2	868	105	61,407
Chinese	70	39,145	...	...	70	39,145
German	9	5,244	2	871	11	6,115
Swedish and Norwegian	6	2,772	4	928	10	3,698
Total	188	107,702	8	2,668	196	110,368
„ for the year preceding	189	113,888	12	3,181	200	117,069

Annex 2.—RETURN of Principal Articles of Import into Tamsui and Kelung during the Years 1893-94.

Articles.			1893.		1894.	
			Quantity.	Value.	Quantity.	Value.
Opium—				\$		\$
Indian, Benares	Cwts.	...	200	14,817	238	16,210
Persian	„	...	2,287	169,000	1,890	150,391
Cotton goods—						
Shirtings—						
Grey	Pieces	...	38,487	14,928	57,311	19,583
White	„	...	41,969	20,106	57,002	25,912
T-cloths	„	...	2,400	572	2,660	610
Japanese cotton cloths of all sorts	„	...	74,520	5,202	125,597	7,568
Cotton towels	Dozens	...	...	...	6,564	339
Indian sheetings	Pieces	...	...	...	2,953	1,183
Woolens—						
Camlets, English	„	...	2,568	4,228	3,347	4,929
Lastings	„	...	1,118	1,518	1,538	1,672
Long ells	„	...	1,572	1,453	2,372	1,939
Yarn and thread	Cwts.	...	153½	1,796	267	2,820
Metals—						
Pig-iron ... ..	„	...	...	...	4,506½	1,189
Manufactured iron	„	...	2,784½	1,828	5,338	2,342
Copper ingots	„	...	71½	186	2,398	6,243
Tin	„	...	184½	871	186	713
Lead	„	...	19,265½	11,872	22,582	14,375
Sundries—						
Cement	Packages	...	...	...	7,764	3,351
Llama braid	Packets	...	9,578	604	16,346	745
Flour	Cwts.	...	17,831	8,543	16,659	6,479
Matches, Japanese	Gross	...	142,900	5,466	203,000	6,392
Oil, kerosene—						
American	Gallons	...	483,710	8,013	900,000	16,177
Russian	„	...	439,190	8,998	455,765	8,236
Sumatra ... ..	„	...	...	...	21,000	400
Rice	Cwts.	...	304,133	84,439	117,490	26,249

Annex 3.—RETURN of Principal Articles of Export from Tamsui and Kelung during the Year 1893-94.

Articles.			1893.		1894.	
			Quantity.	Value.	Quantity.	Value.
Camphor	Cwts.	...	32,134	116,836	33,108	90,149
Coal	Tons	...	23,748	12,104	24,243	12,777
Rattan	Cwts.	...	967	346	230	59
Sulphur	„	...	5,740	1,891	7,093	1,121
Tea—						
Oolong	Lbs.	...	20,047,200	730,590	18,298,333	570,424
Pouchong	„	...	1,812,667	62,727	2,290,266	76,093

Annex 4.—TABLE showing Total Value of all Articles Exported from and Imported into Tamsui and Kelung from and to Foreign Countries and Chinese Ports during the Years 1893-94.

Country.	Imports.		Exports.	
	1893.	1894.	1893.	1894.
	£	£	£	£
Hong-Kong	346,322	350,060	120,306	96,660
Great Britain	3,819	1,776	..	..
United States	1,694	4,173	..	..
Russia .. ..	..	1,585	..	..
Continent of Europe ..	..	206	..	..
Japan	287	149	59	..
Straits Settlements ..	561	..	..	..
Cochin-China, &c. ..	7,634	..	..	..
Java	426	..	..	..
Chinese ports	249,371	215,657	812,728	708,583
Total	610,114	578,606	933,093	805,243

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AND FINANCE.

JAPAN.

REPORT FOR THE YEAR 1895

ON THE

TRADE OF TAMSUI.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 1597.

*Presented to both Houses of Parliament by Command of Her Majesty,
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1759. Hamburg	2½d.	1820. Dar-al-Baida	3d.
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J A P A N.

TAMSUI.

Acting-Consul Layard to the Marquis of Salisbury.

My Lord, *Tamsui, October 15, 1896.*
 I HAVE the honour to forward herewith my Report on the
 Trade of Tamsui and Kelung for the year 1895.
 I have, &c.
 (Signed) R. DE B. LAYARD.

Report on the Trade of Tamsui and Kelung for the Year 1895.

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Difficulty in
compiling
returns,
owing to
change in
Government.

Considerable difficulty has been experienced in compiling trade returns for this port for the year 1895, on account of the changes which have occurred in the government of the country, and the consequent alteration in the administration of the customs.

The returns of the Japanese customs at Tamsui, for the period from June 9 to December 31, 1895, were not available until the end of July last, and in drawing up the survey for the whole of 1895 they had to be collated with the report of the Chinese maritime customs for the first part of the year.

The Japanese forces landed on May 29 some 20 miles to the south-east of Kelung. On June 3 they captured the forts at that place from the 10-days-old Republic, which collapsed from that moment.

Four days later the Japanese entered Taipeh, the capital; and on June 9 Tamsui was occupied by their forces, and the customs taken over by the Japanese authorities.

Results of war
not so
disastrous to
trade as
anticipated
Value of
trade.

In spite of the general fear that the war would have disastrous effects on the trade of the country, the result was not so unsatisfactory to the general trade as was anticipated.

The import trade decreased some 10 per cent. in value on the previous year; but on the other hand there was an increase in the export trade of over 4 per cent. in the sterling value.

The gross value of the trade in 1895 was 1,355,108*l.*, being a decrease of 23,740*l.* on that of 1894.

There was a slight decrease on the previous year in the average value of the Haikwan tael during the first part of 1895, viz., from 3*s.* 2*d.* in 1894 to 3*s.* 1*d.* in 1895.

TABLE showing Comparative Value of Imports and Exports during the Years 1894-95.

				Value.		
				1894.	1895.	Increase or Decrease in 1895.
				£	£	£
Imports..	..	..	..	578,605	515,877	- 57,728
Exports..	..	..	..	805,243	839,281	+ 33,988
Total	..	..	..	1,378,848	1,355,108	- 23,740

Imports.

Comparison
of chief
imports.

Annex 2 gives the chief articles of import into Tamsui and Kelung during the years 1894-95, but it will be advisable to give a table showing the totals of the principal classes

of goods, in comparison with the totals of the previous year for the same articles.

The following table gives the totals of opium, cotton goods, woollens, and metals, excluding native imports:—

Articles.	Value.		Increase or Decrease in 1895.
	1894.	1895.	
	£	£	£
Opium	168,073	82,007	— 86,066
Cotton goods	64,515	61,305	— 3,210
Woollens	16,046	8,711	— 7,335
Metals	35,415	38,092	+ 2,677

It will be noticed from the above table that the total import of Opium opium has decreased by more than half. The import of Benares Benares in 1895 was 37 cwts., as against 238 cwts. in 1894, and reached less than a third of its value.

The import of Persian opium has fallen from 1,880 cwts. in Persian. 1894 to 860 cwts. in 1895.

It is not possible to give an estimate of the Chinese opium which has reached this island in junks, as it does not appear in the customs returns, but great quantities have without doubt been landed all along the coast.

Of late years the consumption of the foreign drug has been considerably curtailed, owing largely to the increased import of the native drug, which is much cheaper and is largely used for mixing with the foreign article. This trade has been steadily passing into the hands of Chinese, and sales by foreign houses of late years have been of a much smaller extent than formerly.

On the Japanese Government taking over the island, the importation by foreign vessels greatly decreased, in view of the drug being prohibited. This prohibition was finally notified in February, 1896. The import between June 8 and December 31, 1895, was some 114 chests, of which 51 paid duty, the remainder being in bond, and their value amounted to 4,594*l*. This item, however, is not shown in the Japanese customs returns, and is presumably included under some other heading. The result of the prohibition has been a great increase in smuggling carried on by Chinese junks, which has lowered the market value to such an extent that holders of stock have had great difficulty in clearing.

The early months of the year were not characterised by any Cotton great activity in piece-goods, while the unsettled state of affairs piece-goods. which prevailed prior to, and for some time after, the Japanese occupation of this district, greatly curtailed business. As affairs settled down, trade improved, but there can be little doubt that,

(2296)

under this heading, imports for a time suffered a considerable check.

Japanese
cloths as
compared
with English.

During 1895, Japanese cloths increased in popularity, as is shown by the lesser proportionate falling off, compared with those of English manufacture. This is attributable to two causes, the low value of silver, and the fact that the Japanese cloths, besides being more varied in colour, are, by reason of the greater variety in their texture, more suited to the climatic changes of the island.

Native.

Imports of Chinese cloths, owing to political causes probably, show a falling-off, but they, along with the cheaper Japanese cloths, proved quite sufficient to meet the demand for goods of this class, to the almost entire exclusion of English goods of similar quality.

Shirtings—

There is a large falling off both in grey and white shirtings, owing, no doubt, to the same causes as that found all through the list.

Grey.

White.

Grey shirtings fell from 57,311 pieces in 1894, to 37,631 pieces in 1895. Whilst white shirtings similarly sank from 57,002 pieces to 37,390 pieces in the same period.

T-cloths.

T-cloths have increased from 2,660 pieces to 4,431 pieces, and by more than twice their value.

Comparison
of towelling
and Indian
sheeting
not possible.

It would not be fair to compare the values obtainable of cotton towelling and Indian sheetings with the import of the previous year owing to the want of uniformity in the two systems of returns.

Woollens.

There is a considerable decrease in the total value of the woollen import, which comprises English camlets, lastings, long-ells, yarn, and thread, but though the decrease is nearly 50 per cent. the total is trifling.

Metals.

The foregoing table shows a slight increase in the amount of metals imported, principally in the direction of manufactured iron, by far the greater part being imported before the Japanese occupation. There is a great diminution, proportionately, in lead, in spite of the requirements of the camphor and tea trade.

Sundries.

Under the heading of sundries, the first, alphabetically, which is worth noticing, and appears for the first time separately, is beer, nearly all of which was imported after the occupation.

Beer and
wines.
Marked
increase in
consumption.

The amount of beer imported reaches a value of 2,023*l.*, and that of wine and spirits, which may properly be mentioned here, to 2,921*l.* 100*l.* worth of the former, and 226*l.* worth of the latter only having been imported before June, 1895.

The Japanese population, whether from insufficiency of good spring water, or as a supposed antidote to the ill effects of the malarial climate, is consuming great quantities of alcoholic beverages, the average per head being, I am informed, three times as much as in Japan proper.

The favourite beers are of the lighter kinds, chiefly German, Lager, and Pilsener, imported from Hong Kong, the beer of Japanese manufacture, although cheaper to import, commanding little sale, as it will not keep in this climate.

The item of cement has been inserted merely to show the Cement. decrease of 3,000*l.* in the value of the import.

Flour in 1895 was imported to the value of 11,338*l.*, as Flour. against 6,479*l.* in 1894, and there is good cause to think that this import of American origin will increase steadily.

Some decrease is apparent in the Japanese match import, Japanese matches. keeping pace with the depression in other lines, but there is every sign of its recovery. The import of 1894 was 203,000 gross, at 6,392*l.*, against 147,220 gross at 4,674*l.* in 1895, the last amount, however, being an increase of some 4,000 gross on the import of 1893.

Munitions of war to the value of 98,159*l.* were imported Munitions of war. under the Chinese rule in 1895, but the item does not appear in the returns of the Japanese customs.

Sales of kerosene oil during 1895 were very much curtailed, Kerosene. owing to the disturbed state of affairs, more especially from March to July inclusive. Since that month, however, there was a steady increase in the consumption, American case oil taking the leading position as in the previous year, Russian case oil taking second place. Prices for both were about on an even basis. There was only a small demand for Lang Kat (Java) case oil, but at lower prices than American or Russian. This oil is considerably handicapped with the other oils, by reason of its inferior packing.

Tank oil in tins is principally saleable for local consumption Tank oil. only, and is not so suitable for carriage inland as the case oil, or for shipment along the coast in small craft.

I am unable to give the totals of this import under separate headings of country of origin, but the relative values were, I am informed, similar to those of 1894. Up to June 8 there were imported 47,400 gallons of American and 174,775 gallons of Russian case oil. The total value at the year's end amounted to 2,086,405 gallons at 19,751*l.*

The Japanese customs returns give a small total on account Railway material. of the import of railway material—1,149*l.*—but this probably includes only material for the relaying of the line which has been commenced between Taipei and Kelung, over a newly surveyed route avoiding the inequalities of the former existing line constructed under the Chinese administration.

Exports.

As pointed out in the first table given in the body of this report, the gross sterling value of the export trade of this district Increase in value. has increased by nearly 34,000*l.*, owing chiefly to the increase in value of the items of camphor and tea.

Although nearly 10,000 cwt. less camphor was exported than Camphor. in 1894, the enhanced price of the article, owing to the disturbed state of the island, raised the total value of the export by some 3,000*l.* At all times an article requiring, to be worked suc-

cessfully, large advances of money on account, and a peaceful state of affairs on the savage border, the war played havoc with outstanding arrangements.

Coal. The export of coal amounted only to 7,751 tons, nearly all of which went forward before the Japanese occupation. Since that date the mines near Kelung have not been worked, and are for the most part flooded with water. Surface workings supply coal to a very limited extent, but the fuel is soft and of poor quality.

Tea. The tea season of 1895 commenced about the middle of April, and from that date stocks steadily accumulated in Twatutia. The general impression seems to have been that a serious check would be caused to business by the advent of the Japanese, but, contrary to expectations, the high prices ruling in the market proved such an inducement to growers that no shortage was experienced as compared with the previous year, whilst buying packing, and shipping went on as usual.

Character of season's crop. The spring crop and first and second summer teas were of good quality, and quite up to the average of past seasons, but the autumn crop was poor, owing to the interruption of the necessary care for the plants caused by the disturbances up country. The result was a shortage of fine teas and a corresponding increase of the lower grades.

Prices paid by both foreign and Chinese buyers on the Twatutia market throughout the year were very high and considerably above the parity of New York values. The profit was therefore mostly to the native growers.

Chinese tea-merchants and shippers to Amoy for the most part had a disastrous season, and only those who met the market in Amoy when it first opened (and the opening was unusually late), could have met with any profits in their shipments.

Foreign buyers also had no reason to be satisfied; markets in America ruled low from the start, and the tendency was in the downward direction, buying only taking place for immediate requirements. The immense drop in value in Amoy cannot be accounted for by the rise in exchange, the true reason being that teas in New York ruled below the Chinese markets, and speculative purchases based on a short supply had for some time ceased.

The export of Oolong tea increased by 166,917 lbs. in quantity, and 86,162% sterling value; whilst the export of Pouchong tea decreased by 555,450 lbs. weight, and 14,410% value.

Shipping.

Decrease in total.

There was a noticeable decrease in the total amount of shipping calling at Tamsui and Kelung, the number of vessels of foreign build that entered being 168, against 199 for the preceding year; but this arose mainly from the absence of Chinese shipping, which dropped from 70 ships to 14.

Increase in British.

The proportion of British tonnage to the total, on the other hand, increased considerably, amounting to about 72 per cent.

of the whole, whilst German tonnage was almost treble what it was in 1894. And German.

It is satisfactory to be able to give a "nil" return of wrecks on the dangerous coasts of this district.

General Remarks.

It cannot be said that the influx of the Japanese has had any particular influence on local British trade, apart from the actual check given by the necessarily attendant temporary disorganisation and the prohibition of the import of opium. British trade unaffected by political changes.

Although the number of the Japanese population is rapidly increasing, in spite of the deplorable number of victims to the climate, yet so far they have absorbed little or none of the business.

Such demand for goods as there is amongst them is supplied from Japan principally, whilst the Chinese element has always been on the look-out to assimilate directly to itself such trade as it might otherwise conduct as the medium between the native and the foreign merchant. What increase there is more directly benefits the British shipping interest. Japanese wants supplied from Japan.

As time goes on, an increase in competition will no doubt call for more active measures, and machinery will probably be imported for the tea business; but until there is another outlet than Amoy for this traffic, things are likely to remain as they are.

If Kelung or Tamsui—and the latter seems the most practicable—could be made a basis for a direct export of tea to America via Japan, there would be a complete revolution in the export trade in this article to the mainland of China; but until those harbours are so dredged as to accommodate shipping of the necessary capacity, and railway facilities between Twatutia and Kelung are so reformed as to induce transport to go in that direction, there is no likelihood of the present inter-port trade being interfered with. New outlets for tea trade.

With regard to the railway from Twatutia to Kelung, as the line has been under military control, the Japanese have been unable to give me particulars of the rolling stock, &c.; but the visible property, with but little alteration, still consists of the diminutive engines of the late Chinese Government, which have to water half-way on the 20-mile journey, and a few carriages and wagons, which are utterly inadequate to the demand for accommodation. Railway.

In conclusion, I have to acknowledge my indebtedness to Mr. H. B. Morse, and Mr. S. J. Nomura, Commissioners of the Chinese and Japanese customs respectively, for access to the customs returns, and to the gentlemen in charge of the various firms in this district for furnishing me with notes and information.

Annex 1.—RETURN of all Shipping at the Port of Tamsui and Kelung during the Year 1895.

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	119	62,616	1	803	120	63,418
German	25	17,323	3	946	28	18,269
Chinese	14	5,072	...	...	14	5,072
Danish	3	1,431	...	...	3	1,431
Norwegian	2	1,105	...	...	2	1,105
Japanese	1	493	...	...	1	493
Total	164	83,039	4	1,749	168	84,788
„ for the year preceding ...	190	108,997	9	3,027	199	112,014

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	121	63,798	2	1,167	123	64,965
German	27	18,597	3	947	30	19,544
Chinese	14	5,072	...	...	14	5,072
Danish	3	1,431	...	...	3	1,431
Norwegian	3	1,646	...	...	3	1,646
Japanese	2	992	...	...	2	992
Total	170	91,536	5	2,113	175	93,649
„ for the year preceding ...	183	107,702	8	2,663	196	110,365

Annex 2.—RETURN of Principal Articles of Import into Tamsui and Kelung during the Years 1894-95.

Articles.		1894.		1895.	
		Quantity.	Value.	Quantity.	Value.
			\$		\$
Opium—					
Benzene	Cwts. ...	238	16,210	37	5,035
Persian	„ ...	1,880	150,391	360	76,372
Cotton goods—					
Grey shirtings	Pieces ...	57,311	19,583	37,631	12,734
White shirtings	„ ...	57,002	25,912	37,360	15,352
T-cloths	„ ...	2,662	610	4,431	1,932
Japanese cloths of all sorts ...	„ ...	125,697	7,855	52,594	5,718
Woollens—					
Camlets	„ ...	3,347	4,929	...	2,247
Lastings	„ ...	1,538	1,872	...	423
Long ells	„ ...	2,332	1,938	...	867
Yarn and thread	Cwts. ...	257	2,320	97	1,311
Metals—					
Manufactured iron	„ ...	5,338	2,342	...	2,742
Tin	„ ...	195	713	...	756
Lead	„ ...	22,582	14,275	9,691	6,768
Sundries—					
Beer ... ..	„ ...	...	...	...	2,023
Wine and spirits ... ..	„ ...	...	...	...	2,921
Cement	Packages ...	7,764	3,351	...	312
Flour	Cwts. ...	16,659	6,479	...	11,338
Matches	Gross ...	203,600	6,392	147,220	4,674
Munitions of war ... ..	„ ...	...	...	...	98,159
Oil, kerosene—					
American	Gallons ...	900,000	16,177	2,086,405	19,751
Russian	„ ...	455,765	8,236		
Railway material ... ..	„ ...	...	...	...	1,149
Rice	Cwts. ...	117,490	26,240	39,437	9,379

**Annex 3.—RETURN of Principal Articles of Export from
Tamsui and Kelung during the Years 1894–95.**

Articles.			1894.		1895.	
			Quantity.	Value.	Quantity.	Value.
				£		£
Camphor..	..	Cwts. ..	33,108	90,149	23,696	98,905
Coal ..	..	Tons ..	24,243	12,777	7,751	4,635
Tea—						
Oolong..	..	Lbs. ..	18,299,333	570,424	18,466,250	656,586
Ponchong	2,290,266	76,093	1,734,816	61,683
Sundries	55,800	..	17,422
Total	805,243	..	839,231

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**DIPLOMATIC AND CONSULAR REPORTS ON TRADE
AND FINANCE.**

J A P A N.

REPORT FOR THE YEAR 1896

ON THE

TRADE OF TAMSUI AND KELUNG.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 1835.

*Presented to both Houses of Parliament by Command of Her Majesty,
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JAPAN.

TAMSUI.

Mr. Bonar to the Marquess of Salisbury.

(Received at Foreign Office, July 19, 1897.)

My Lord,

I HAVE the honour to forward herewith my Report on the Trade of Tamsui and Kelung for the year 1896.

I have, &c.

(Signed) HENRY A. C. BONAR.

Report on the Trade of Tamsui and Kelung for the Year 1896.

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Trade of the year.

The trade of the year under review presents no features worthy of note excepting that there has been a marked increase in the value of import trade, particularly attributable to a more settled state of affairs than prevailed during 1895.

Its value.

The gross value of the trade in 1896 was 1,402,729 $\frac{1}{2}$ l., as compared with 1,355,108 $\frac{1}{2}$ l. in 1895, an increase of 47,621 $\frac{1}{2}$ l.; the import trade showing an improvement of over 7 per cent., and the export trade rather more than 1 per cent.

Comparative table of imports and exports, 1895-96.

TABLE showing Comparative Value of Imports and Exports during the Years 1895-96.

	Value.		
	1895.	1896.	Increase.
	£	£	£
Imports	515,877	553,601	37,724
Exports	839,231	849,128	9,827
Total	1,355,108	1,402,729	47,621

Chief imports.

Import trade at Tamsui and Kelung.

Annex 1 gives the chief articles of import into Tamsui and Kelung in 1895-96. It has been usual to give the joint values of the trade of the two ports, but it is worthy of note that of the import trade for the two ports the proportion for Kelung is only 4 per cent. of the value.

Proportion of British imports.

Of the total value of imports Great Britain's and the colonies' share is 25 per cent., China 50 per cent., United States of America 7 $\frac{1}{2}$ per cent., Germany 2 $\frac{1}{2}$ per cent., France and colonies 9 per cent., and other countries 6 per cent. The increase is mostly in produce from China, though British trade shows a slight increase according to the following table, which gives the totals of opium, cotton goods, woollens, and metals. The import of opium ceased in February.

Articles.	Value.		
	1895.	1896.	Increase or Decrease.
	£	£	£
Opium	82,067	60,821	— 21,186
Cotton goods	35,681	45,606	+ 9,925
Woollens	4,848	8,425	+ 3,577
Metals	10,266	11,480	+ 1,214

The prohibition of the import of this drug was notified in February, 1896, and its effect was to send prices up considerably, but owing to extensive smuggling, prices again dropped and remained stationary, holders of legitimate stocks finding great difficulty in disposing of their holdings on account of the competition with the smuggled drug. Henceforward the drug will no longer appear in the trade return. It was not till early this year that the Japanese Government made final arrangements to take over the small stocks still held by a few foreign merchants.

Imports show an increase over 1895 of 9,925*l.*, owing, not to an improvement in business, but to the check which trade goods generally experienced during 1895.

English manufactures have about held their position both for grey and white shirtings of best and medium qualities, but have suffered in the lower qualities by the competition of Japanese manufactures and native cloths, T-cloths being more affected by the latter than grey shirtings. Prices realised have not shown more than the usual fluctuations, being ruled, as always, by the Hong-Kong market. The amount imported by foreign merchants is very small, the trade being almost entirely in the hands of the Chinese.

Woollens show an increase of 3,577*l.*, due simply to this small trade having resumed its former dimensions.

About 12,000 to 14,000 packages of lead are now annually imported to make linings for tea and camphor boxes. Of these from 8,000 to 10,000 packages were last year imported by foreign firms.

If the large item of close on 100,000*l.* for munitions of war which figured in last year's import list be excluded, the import trade in sundries shows a very large increase indeed.

Taking the articles alphabetically, the import of beer has quadrupled itself, and is a large item at 9,597*l.* Nearly all of it is German beer. Japan-brewed beers find no favour in this climate, and the light beers of German manufacture evidently are quite harmless.

The importation of cement is likely to become very considerable in the near future, if all the improvements in the way of harbour works at Kelung, projected by the Japanese Government, are carried out. "Green Island" cement should then take a leading place.

(11)

- Flour.** American flour shows an increase of 50 per cent. over last year's import.
- Oil: kerosene, American, Russian.** The import of all kinds is returned at about 1,350,000 gallons, valued at 21,386*l.*, as against 19,751*l.* in 1895. Of the quantity imported, 1,150,000 gallons American oil represent a value of 18,105*l.* Of the remainder, 150,000 gallons are Russian oil, and the rest "Langkat," together valued at 3,281*l.* The American "Comet" oil is considered the best imported here, though Russian case oil sells for practically the same figure. "Langkat" oil so far has not made much headway. Kerosene oil is distributed locally by cargo boats and coolies, and the country districts depend for their supplies on shipments down the coast in junks. In another part of the report, the import into one of the "special ports" on the west coast of the island is noted.
- Rice.** Rice shows a value of 80,883*l.*, an increase of over 70,000*l.* on last year's import. 43,636*l.* worth came from Annam and other parts of French India, 30,157*l.* from China, the rest from other countries.
- Miscellaneous provisions.** Provisions of all sorts show a considerable increase. Cuttle fish, shrimps and prawns, fungus, beans, and peas make up 28,819*l.* of the very large total of 254,399*l.* for miscellaneous.
- Hogs.** It may be interesting to know that during last year 40,000 hogs, representing a value of 17,000*l.*, were imported into Tamsui and Kelung.
- Silk piece-goods. Tobacco.** Silk piece-goods from China, to the value of 11,845*l.*, figure in this year's returns. Also tobacco—prepared—to the extent of 15,215*l.*, nearly all from China, 11 per cent. being of British manufacture.

Exports.

- Export trade at Tamsui and Kelung.** As in the case of imports, the share of export trade claimed by Kelung is only an infinitesimal fraction of the total export trade, being only 1,607*l.* of a total of 849,128*l.*
- Camphor.** Of the exports, camphor alone shows an increase in value over last year's export, of 95,316*l.*, or 95 per cent., though the quantity exported was only 13,553 cwts., or 60 per cent. more than in 1895. The great difference in price of camphor last year is due entirely to speculation, as it was thought that owing to the restrictions imposed by the Japanese authorities, and the unsettled state of affairs in the camphor districts, the supplies would be considerably short.
- Coal.** Coal has practically ceased to be an article of export. The mines are not being worked, and even if work should be resumed, it is very doubtful whether any of the coal will find its way out of the island.
- Tea.** In tea it is noticeable that though the quantity exported was larger in 1896 than in the previous year by 820,031 lbs. Oolong and 210,204 lbs. Pouchong, the value decreased for both kinds of tea by 84,083*l.*, or 9 per cent. Expressed in half-chests, the export was 453,647 half-chests, an increase of some 19,000 half-chests over the previous year's export. The 1896 export was the second

highest on record, having only been exceeded by the 1893-94 export.

The season opened later than usual but with a good tone, and buying soon became general. Fine grades were in small supply and met with keen competition at high prices. The spring crop ^{Spring crop.} was indifferent. Second crop showed a marked improvement and ^{Second crop.} met with good prices, buyers paying extreme prices for choice parcels.

First autumn teas were the worst crop of the season, but later ^{Autumn} autumn teas were up to the average. In October a strong demand ^{teas.} arose for tea for price which had the effect of making producers bring all they could possibly produce to market, a quantity being of very low grade. This increased the estimated total supply.

JAPAN.

Prices ranged as follows:—

Per Picul.									
	Fair.	Good.	Good to Superior.	Superior.	Superior to Fine.	Fine.	Finest.	Choice.	Choicest.
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
Opening	27	30	35	40	..	..	..	..	..
June "	27	29	35	40	45	52 to 62	75 to 85	..	..
" later	25	28	33	40	45	53	69	85	105
July ..	25	27	33	38	43	53	67	85	105
August..	25	29	33	37	45	53	67	85	90
September	25	29	35	39	45	53	67	..	..
October..	25 to 31	29 to 33	33 to 38	40 to 44	45 to 53	..	..	..	..

Late in 1895 Luikong (or Rokko), 117 miles south of Tamsui on the west coast, was opened as a special port of import and export; and in March, 1896, Kiukong (or Kinko), 36 miles south of Tamsui, was opened in a similar manner to trade for Japanese-owned vessels. Both are within this Consular district and under the Tamsui custom-house. The subjoined table gives the particulars of the foreign trade at both ports during 1896. Camphor to the extent of 4,416*l*. was exported from Luikong, and kerosene imported to the amount of 5,244*l*. The other items hardly deserve mention. The total trade for both ports amounted to 189,684*l*.

					Value.	
					Luikong.	Kiukong.
					£	£
EXPORTS.						
Camphor	..	..	..	..	4,416	..
Sundries	..	..	..	..	88,809	14,980
IMPORTS.						
Kerosene oil	..	..	..	..	5,244	..
Sundries	..	..	..	..	57,806	18,429
Total	..	..	..	..	156,275	33,409

Though the number of British ships entered and cleared at Tamsui and Kelung in 1896 is less by 24 than in 1895 the tonnage has remained the same. Shipping.
Decrease in
number of
British ships.

German shipping shows a marked decrease both in ships and tonnage.

Chinese steamers have practically disappeared from the list of shipping.

In this year's list the number of ships under the Japanese flag has been included. With the exception of one steamer, which cleared direct for a foreign port, all the other is Japanese shipping between the ports of Japan proper and Formosa, and has been included for the sake of reference; if the Japanese companies are at any time to run successfully between the ports of Formosa and of China, a trade at present almost entirely absorbed by British steamers it will be necessary for them not only to increase the number of ships already visiting this Island, but to build steamers suitable for the bar of the Tamsui river; so far the better class of Japanese steamers must confine themselves to Kelung. Japanese
shipping.

It is worthy the consideration of British shipowners whether steamers could not be run with profit between Tamsui and Shanghai via Nagasaki.

Communica-
tion between
Japan ports
and Formosa.

The Nippon Yusen and Osaka Shosen companies' steamers visit all the ports of importance between Kelung and Kobe, and according to the route taken occupy from $3\frac{1}{2}$ to 9 days on the journey from Kelung to Kobe.

Junks.

Chinese junks which figure last year to the number of 2,932, with a tonnage of 35,037 tons, bring over large quantities of various Chinese produce, mostly pigs, poles, and paper from Foochow, Wenchow, and Chang-Chin.

The junks under the Japanese flag, mentioned in the list are those owned by Formosan natives and registered in Formosa.

Harbour
improve-
ments.

While improvements on a large scale for the harbour of Kelung have been contemplated, and are in progress, nothing whatever has been planned or done to improve the harbour of Tamsui. At a comparatively slight cost the latter could be made a suitable and safe anchorage for much larger vessels that visit it at present, and its position and proximity to the city from which it is only eight miles distant by water, ought soon to make it a favourite resort for Japanese traders, but strangely enough Kelung, distant 15 miles from the capital with only a wretched railway to connect it with the latter, seems to attract the lower class Japanese trader, probably because the steamer lands him there and is ready to take him away again when he finds to his surprise that he cannot make a fortune in a few days.

Kelung naval
port.

Everything points out to Kelung as the naval station for Formosa. But it is extremely doubtful whether its small harbour will provide accommodation both for admiralty and commercial purposes. It is intended apparently that sooner or later ocean steamers are to call there, but no improvements, however great, in the harbour will outweigh the advantage that Tamsui has by its water communication with the business centre of Twatutia; and probably merchant steamers would be so hampered as to anchorages and other conditions prevailing in a naval port, that the experiment of a naval and commercial port is not likely to prove a success.

General
remarks.

The statistics of trade for 1896 show plainly enough that British trade has held its own. Nor does it appear that British trade and the export trade in the hands of the British firms is likely to diminish in the near future by the advent of Japanese merchants of experience and standing. Such have, so far, hardly ventured on commercial enterprise in this island on any large scale, if we except one or two firms who act as agents for the Japanese Government. The trade in the hands of the Japanese does not extend further than the dealing in articles of Japanese and foreign origin, wines, and beers, &c., which the residents of Taipeh can no longer do without.

Many of these articles are brought from Japan at enormous rates of transport. There is no reason whatever why the foreign merchant should not supply many of these goods to the Japanese dealers of Taipeh, or why he should not himself establish a large foreign store, well supplied with goods imported direct from Europe or Hong-Kong. The establishment of one such foreign

store at least should prove a successful venture and would lead to more extended business with the commercial community, which could certainly be supplied more cheaply from Hong-Kong even than from Japan.

It is extraordinary that such a disgraceful coin as the Tamsui ^{Currency.} dollar should be able to continue a happy existence side by side with the convenient paper or clean silver yen. All commodities purchased in this district are paid for in this defaced currency, which assumes the value of a paper or silver yen in the customs returns. But no steps are being taken to enforce the circulation of the proper Japanese currency. The ever-varying value of this Tamsui dollar affords plenty of opportunity for speculation, and while the Japanese paper yen is worth 2 per cent. more than the Tamsui dollar, it is for some unaccountable reason itself worth from 1 to 2 per cent. less than the silver yen.

A note on the Japanese population of North Formosa may be ^{Population.} of interest. ^{Japanese residents.}

	Number of Inhabitants.	
	Japanese.	Natives.
City of Taipei, now the capital of the Island	2,779	1,036
*Twatutia.. ..	653	22,673
Banka	966	18,746
*Kelung	1,483	18,921
*Tamsui	368	5,976
Total	6,249	62,351

* Are now the Mixed Settlements, where Chinese and other foreigners can reside and trade.

The total Japanese population of the northern part of the island is thus considerably under 7,000 souls.

Exclusive of Chinese the foreign population of Twatutia, ^{Foreign residents.} Kelung, and Tamsui is under 40, nor is the British mercantile community likely to increase so long as Amoy remains the headquarters of the tea trade. As in the past, the more important Amoy firms content themselves with branch establishments at Tamsui and Twatutia, but it is evident that British trade would not suffer by these establishments being made independent of Amoy, the local conditions having now changed entirely.

The present line between Kelung, Taipei, and Shinchiku—its ^{Railways.} terminus—remains in the same neglected condition. Charters for an extensive railway scheme to the south have been granted to private companies, and the Government appears to have guaranteed 6 per cent. interest, but so far there are no signs of railway construction. What with the material required, bridges to be built, &c., large contracts must sooner or later be made; but the head-

quarters of the company being in Osaka and Tokio, probably no share of them will fall to Formosa merchants.

The present railway system is considerably inferior to what existed in Japan 25 years ago.

Tamsui is to be joined to the capital by rail some time in the future.

Road-
construction.

Between these two places a capital road has been constructed, but as the town of Tamsui or Hobé with its impossible tunnelled streets will hardly allow of a horse passing through, much less any sort of vehicle (no vehicle of any kind is to be found in the neighbourhood), the road stops short outside of the town, and is therefore useless.

Postal
arrangements.

Postal arrangements remain in a primitive condition, and special messengers are the only reliable means of communication between the capital and the leading port of North Formosa.

Labour:
wages.

Formosa offers every inducement to the Japanese labourer. The coolie is paid from 1s. 8d. per day upwards; the carpenter from 2s. 2d. to 2s. 6d., no kind of Japanese servant is paid less than 30s. per month; and Japanese cooks command from 2l. upwards; native labour is 50 to 75 per cent. more than before the Japanese occupation.

Annex 1.—RETURN of Principal Articles of Import into Tamsui and Kelung during the Years 1895-96.

Articles.		1895.		1896.	
		Quantity.	Value.	Quantity.	Value.
			£		£
Opium—					
Benares	Cwts. ...	37	5,035	79	7,249
Persian	" ...	860	76,972	609	63,672
Cotton goods—					
Grey shirtings	Pieces ...	37,631	12,734	51,113	16,590
White shirtings	" ...	37,290	15,252	61,028	24,210
T-cloths	" ...	4,431	1,982	1,387	454
Japanese cloths of all sorts	" ...	52,594	5,713	...	4,352
Woollens—					
Camlets ... ..	...	...	2,247	...	2,677
Lastings ... ..	...	...	423	...	1,215
Long ells ... ..	...	...	867	...	1,648
Yarn and thread ... ..	...	...	1,311	...	1,985
Metals—					
Iron, manufactured ...	Cwts. ...	...	2,742	5,202	2,224
Tin ... ..	" ...	...	756	...	548
Lead	Cwts. ...	9,691	6,768	14,944	8,710
Sundries—					
Beer ... ..	...	...	2,023	...	9,597
Cement ... ..	...	...	313	...	6,878
Flour ... ..	...	...	11,338	...	17,261
Matches	Gross ...	147,220	4,674	152,177	5,160
Oil, kerosene—					
American ... ..	...	...	19,761	...	21,386
Russian ... ..	...	...	...	...	...
Rice	Cwts. ...	39,437	9,379	277,234	80,883
Silk piece-goods ... ..	...	...	...	...	11,845
Tobacco, prepared ... ..	...	...	...	...	15,215
Wine and spirits ... ..	...	...	2,921	...	4,135
Miscellaneous ... ..	...	...	...	...	254,399

Annex 2.—RETURN of Principal Articles of Export from Tamsui and Kelung during the Years 1895-96.

Articles.		1895.		1896.	
		Quantity.	Value.	Quantity.	Value.
Camphor	Cwts. ...	28,696	\$ 98,906	37,269	\$ 194,321
Coal	Tons ...	7,751	4,635	4,723	2,476
Ten—					
Oolong	Lbs. ...	18,466,250	656,586	19,296,281	592,326
Pouchong	" ...	1,734,816	61,683	1,945,020	41,960
Sundries ... ..	...	...	17,422	...	18,245
Total ... ..	...	...	839,231	...	849,128

Annex 3.—RETURN of all Shipping at the Ports of Tamsui and Kelung during the Year 1896.

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	97	62,487	1	517	98	63,004
German	9	6,634	...	...	9	6,634
Chinese	3	103	...	...	3	103
Danish ... ..	...	...	...	...	...	...
Norwegian	8	4,023	...	...	8	4,023
Japanese	377	207,927	...	...	377	207,927
Chinese junks ... ..	...	...	2,146	27,730	495	281,691
Chinese junks (Japanese flag) ... ..	...	...	786	7,307	...	7,307
Total ... ..	...	...	...	...	...	316,728

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	95	62,302	1	517	96	62,819
German	9	6,634	...	...	9	6,634
Chinese ... ..	...	...	...	...	...	...
Danish ... ..	...	...	...	...	...	...
Norwegian	8	4,023	...	...	8	4,023
Japanese	377	207,577	...	...	377	207,577
Chinese junks	2,096	28,005	490	281,053
Chinese junks (Japanese flag)	769	6,623	...	6,623
Total	315,631

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J A P A N.

REPORT FOR THE YEAR 1897

ON THE

TRADE OF NORTH FORMOSA.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 1979.

*Presented to both Houses of Parliament by Command of Her Majesty,
JULY, 1898.*

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1898.

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Report on the Trade of North Formosa for the Year 1897

By MR. CONSUL BONAR.

(Received at Foreign Office, June 13, 1898.)

In reviewing the trade of North Formosa a most satisfactory conclusion is arrived at as regards the expansion of foreign trade, indicated by a total amount for the open ports of Tamsui and Kelung and the special ports, of import and export—now numbering four—of close on 2,000,000*l.* sterling, an increase of nearly 400,000*l.* over the foreign trade of North Formosa in 1896. It is true foreign merchants—and this term includes Chinese—are concerned practically with the foreign trade of the port of Tamsui only, that at Kelung being, as in former years, insignificant.

At Tamsui the increase in imports alone is nearly 250,000*l.*, exports having remained stationary. It is unsatisfactory, however, to note how small a share the British merchant has in this increase. It is still open to him to take advantage in other ways of the constantly increasing Chinese trade, in the manner indicated under the heading of shipping.

Great increase in imports at Tamsui, small share of British merchant in increase.

TABLE showing Comparative Value of Imports and Exports of North Formosa during 1896-97.

	Value.			Comparative table of imports and exports, 1896-97.
	1896.	1897.	Increase.	
	£	£	£	
Tamsui and Kelung—				
Imports	553,601	786,635	233,034	
Exports	849,128	819,707	579	
Special ports—				
Imports	81,479	151,968	70,489	
Exports	108,205	184,070	75,865	
Total	1,592,413	1,972,380	379,967	

In the above returns the value of opium imported by the (2034) Imports.
Opium.

A 2

Government has been included, so as to enable one to make a uniform comparison with the previous year's trade. Its value, 145,668*l.*, more than double that appearing in last year's return, accounts for a large percentage of the increase in value of the import trade. Nothing more need be said about the drug, except that two firms, one British and one Japanese, act as the agents of the Government in purchasing it at Hong-Kong, and that the total value of opium sold by the Government of Formosa during the nine months ending December last is rather over 90,000*l.*, the sale showing no profit.

- Cotton goods.** In cotton goods nothing satisfactory has to be recorded.
- Grey and white shirtings.** Grey shirtings show a decrease, white shirtings an increase of some 4,000*l.* to 5,000*l.* on the previous year's import. The share of British firms in the piece-goods trade is trifling, and Chinese and Japanese cloths continue in increasing demand, the former appearing to the extent of nearly 30,000*l.* in the import list.
- Woollens.** In woollens a slight increase has taken place.
- Metals.** Lead, mostly from Australia, alone deserves any notice under the heading of metals. Its import for tea and camphor packing purposes increased from 8,710*l.* to 9,063*l.*
- Lead.**
- Cement.** General importation of cement was not smaller in 1897 than in 1896, but the latter year's return included 4,000*l.* worth of cement imported on Government account, whereas apparently no cement contracted for by Government came in during 1897. A good demand existed, principally for Green Island (Hong-Kong).
- Flour.** A slight decrease is noticeable in flour, owing to the high prices demanded in America.
- Kerosene.** Case oil imported during 1897 was—

					Quantity.
					Cases.
"Comet" oil	..	..	..	(say)	151,050
Russian	..	..	..	..	23,290
Langkat	..	..	..	..	15,000
Total	..	..	(about)		* 189,340

deliveries being in proportion to the import about 179,620 cases. The value of the import was more than double that in 1896.

- Russian oil in bulk.** A new industry, perhaps more properly noticeable in next year's trade report, has been started at this port by a British company, which has erected buildings and godowns for the manufacture of tins, and the storage in them of Russian oil brought here in bulk. This oil, though cheaper than American oil, does not seem so popular.
- Matches.** Matches show a very large decrease accounted for by the supply direct from Japan of large quantities of Japanese manufacture.
- Beer.** Beer, nearly all of German origin, shows a large increase

of nearly 25 per cent., 11,770*l.* in 1897, as against 9,597*l.* in 1896. When, to this quantity is added a very large supply of "Japan brewed" beer, a most promising trade in this beverage should be created by any company that will supply beer which, without being highly "doctored," will keep for a reasonable time.

Wines and spirits show a decrease of 50 per cent.

Wines and
spirits.
Tobacco.

Tobacco shows a large increase of 9,000*l.* on the previous year's import, England contributing 25 per cent. of the total import of 24,262*l.*

In nearly every miscellaneous item a considerable increase has taken place.

Miscellaneous
Eastern
produce.
Rice.

Rice, however, shows a decrease of some 65,000*l.* on the 1896 import.

Of pigs, 132,990, of a value of 69,418*l.* were imported into Tamsui and Kelung in 1897, as compared with 40,000 head, worth 17,000*l.*, in 1896. The consumption of pigs' flesh seems to have trebled on the year. Pigs are duty free. Each pig imported brings a profit of 3 dol. a head to the importer.

Pigs.

Silk piece-goods amounting to 20,113*l.*, white sugar to 25,705*l.*, poles and planks to 21,505*l.*, Chinese paper to 12,885*l.*, grass cloths to 30,099*l.*, provisions of various kinds to 29,847*l.*, and a long list of miscellaneous amounting to 183,061*l.*, show sufficiently what a large trade China is able to do with this port.

Silk piece-
goods, &c.

Shirtings show up to the extent of 29,616*l.*, of which white shirtings to the amount of 21,323*l.* were imported into the port of Rok-ko (Liukong).

Special ports.
Shirtings.

Kerosene oil imports into the four ports amount to 8,085*l.*

Kerosene.

Among Chinese produce grass cloth worth 13,206*l.* is the heaviest item, and cut tobacco, both English and Chinese, is represented by 10,478*l.* Miscellaneous amounting to 90,478*l.* bring the total imports for the four ports of Liukong, Kiukong, Oülan, and Gochei up to 151,968*l.*

The facility with which native-owned junks can pass as Chinese junks on the China coast and so run to ports not open to foreign trade, and with which on nearing the coast of Formosa they assume Japanese nationality is a source of great profit to the owners, and of great worry to the customs authorities. The convenience thus afforded for smuggling is great.

Advantage to
native owned
junks at
special ports.

As hitherto, Kelung has practically no share in the export trade, nor is it likely to have in the near future.

Exports.

With regard to camphor at present no British firm in North Formosa seems to interest itself in this important product, the handling of which is in the hands of German and Chinese merchants, acting probably in combination. There is a slight decrease in the quantity exported and a large decrease in value from 194,221*l.* in 1896 to 121,938*l.* in 1897.

Cam. bor.

The export of Kelung coal, when taking into consideration the quantity that could be produced, is not worthy of mention. Owing to a variety of causes, amongst which the want of security to life and property resulting from a disturbed state of the country is, perhaps, the principal; no effort is being made to

Coal.

(2034)

develop coal mining. The few Japanese who are fortunate enough to own and to work mines close to protecting centres have their hands full in supplying the wants of Japanese steamers at Kelung. The cost of coal has more than doubled in the year, and while the price for small quantities is nearly 1*l.* 10*s.* a ton, large quantities of nut coal could probably not be obtained at less than 14*s.*

Tea.

There was a short export in Formosa oolongs amounting to 17,857,438 lbs., as against 19,286,281 lbs. in 1896. The value, however, was 654,583*l.* in 1897, as against 592,326*l.* in 1896.

Pouchongs show an increase in quantity from 1,945,020 lbs., valued at 41,860*l.*, to 2,445,152 lbs., worth 46,794*l.*

Of tea, generally in half chests, there were exported 434,481 half chests in 1897, as against 454,108 in 1896.

The proposed imposition of a duty of 10 sen gold per lb. for teas going into the United States caused high prices to be paid at the beginning of the season, the second week in May. The duty was not imposed, prices nevertheless remained high until the autumn. Spring crops were considerably above the average, autumn teas very inferior. The total export was smaller than in previous years, owing to the new standard for purity adopted in the United States, and the regulation as to the maximum of "dust" in each half chest.

To prevent the adulteration of Formosa oolongs by mixture with old local leaf or China teas, foreign merchants co-operated with the Chinese Tea Guild under the auspices of the Japanese authorities. A committee, consisting of three foreign and four Chinese merchants, was appointed to deal with the questions of adulteration of tea, having the power to impose fines and confiscate adulterated teas. It is doubtful whether decisions given by that committee may not yet become the subject of litigation. As Formosa exports tea to the extent of some 20,000,000 lbs. annually, with a value varying from 590,000*l.* to 650,000*l.*, a figure exceeding the value of the total tea export from Japan proper in 1896, it is indispensable for the Central Government to make every effort, not only to keep up the reputation of Formosa teas, but to give every facility for its export. It seemed at the beginning of the tea season last year that a number of regulations promulgated by the Formosan Government to secure the payment of an inland tax of 2 yen 40 sen, say 4*s.* 9*d.*, per picul (133 lbs.) were likely to harass the foreign merchant and cause him much inconvenience in the shipping of teas. The machinery for levying this inland tax had been made much more complicated than was necessary, but on the matter being brought to the notice of the authorities the more irksome rules were suspended or modified.

Inland tea
tax.
Hemp, &c.

The inland tax on tea collected last year amounted to some 40,000*l.*

The export of hemp and other fibre becomes noticeable this year, amounting to some 7,000*l.* The special ports each exported a lesser or greater quantity. The authorities are taking great interest in the development of this product.

The annexed table of foreign shipping entered and cleared at Tamsui and Kelung shows no increase, and in British shipping an actual decrease during 1897, due to the irregular running of the steamers of the Douglas Steamship Company, which have the monopoly of the foreign carrying trade, notwithstanding that 11 Danish steamers, three German steamers, and three German sailing vessels were chartered for special import cargoes.

British shipping shows a decrease.

The steamers of the one British company which now carry about three-fourths of this import trade into Tamsui, valued at about 600,000*l.* (exclusive of treasure), are most efficient and suitable vessels for the trade they monopolise (from Hong-Kong to Tamsui via Swatow and Amoy) by tacit agreement with the steamer companies on the China coast, the Douglas steamers agreeing not to extend their traffic north of Foochow. Such an arrangement is an excellent thing for the shareholders concerned, but it does not advance British trade, and is unfavourable to the British manufacturer and to the native consumer. . . If in addition to this, as I am assured is the case, Chinese merchants are able to obtain better terms from a British steamer company than British merchants themselves, is it to be wondered at that the trade in imports through British hands is such a small one? If other British steamer owners will not disturb existing conditions on the ground of "fear of giving offence," then Japanese companies are bound to cut in. Such competition could be defied by a judicious combination between British steamship lines, and a cutting down of present freights and passenger fares. In trade reports drawn up by some of Her Majesty's Consuls in China, which I have recently had occasion to peruse, their appeals to the large steamship companies to send steamers to compete for freight at different ports in China have met with absolutely no response, and it is too much to hope that personal representations, which I took the liberty of making on the occasion of a visit to Shanghai last year, or the suggestions which I make now will receive any attention. Nevertheless, the altered circumstances of this island, and the enterprise shown by the Japanese steamship companies in Formosa may yet rouse these companies to the extent of producing a wholesome combination which will keep the lucrative carrying trade of North Formosa in British hands.

Attitude of British owned steamship companies in China.

Bearing in mind the apathetic attitude of British steamship companies, one hesitates to make suggestions for new fields of enterprise which need not affect existing interests. The following figures will to a great extent support my contention, that owing to the lack of steamers from the open China ports north of Amoy, the junk trade with Tamsui and Kelung from these ports is a large and constantly increasing one. These junks, of an aggregate tonnage in 1897 of 31,378 tons, carried more than one-fourth of the total imports for the year, worth some 200,000*l.*, all Chinese produce. Wenchow and Foochow provide most of the freight, that from the former port consisting largely in pigs, from the latter in paper, poles, and planks.

Chinese junk trade, constant increases. Its value.

The following figures explain further the character and value of the cargoes carried by junks:—

	Number.	Tons.	Value of Cargo Carried.
Junks entered	1,692	31,378	Yen. 1,891,648

	Number.	Value.
		Yen.
Pigs.. .. .	133,000	680,000
Paper .. .. .	..	173,000
Poles and planks .. .. .	..	166,871
Miscellaneous, consisting mostly of provisions, charcoal, and fire wood .. .. .	..	1,370,000
Total .. .. .	..	2,889,871

After careful inquiry I find that 10 per cent. at the least estimate is the allowance to be made for freight (from 60 to 90 per cent. on the cost of goods is the margin which junk owners allow for all expenses, customs duties, and freight), so that 200,000 yen, or say, 20,000*l.*, represents the least amount for freight which the enterprising junk-owners earned in 1897. I venture to say, however, that this is probably only two-thirds of the real amount realised.

Outward cargo.

New steamers would have great difficulty in obtaining sufficient outgoing cargo. Camphor and tea between them make up the bulk of the exports; camphor finds its market in Hong-Kong, and tea at present finds its destination in Amoy. The freight earned on the latter does not amount to more than 45,000 yen, being 10 sen silver, or 5 sen gold per half-chest. This amount of freight is too small for competition, its cheapness being one point in favour of the Amoy route.

Carriage of tea to Nagasaki recommended.

A solution of this difficulty presents itself in the carriage of this staple export along the normal route, to a port in Japan, for transshipment to the Transpacific steamers. This operation can take place at Nagasaki as well as at Amoy, the former having perhaps greater shipping facilities than the latter, and being moreover a port of call for all the Pacific liners. To take the handling of the Formosa tea away from Amoy is to threaten seriously the prosperity of that port. But neither the Japanese Government, Japanese steamship companies, or Japanese merchants will tolerate the handling of Formosa's most valuable product in a Chinese port. And since every effort will be made by the Japanese to divert this trade, a prompt recognition of such an eventuality had better be made at once. There is good reason to suppose that by establishing their headquarters at Twatutia, and

concentrating their energies at the centre of the trade in tea, and making suitable arrangements for its carriage by British steamers, tea merchants will place a formidable obstacle in the way of Japanese attempts to divert the trade into another channel, with Kelung as an outlet. Nevertheless, the merchants from Amoy may derive comfort from the slow development of Formosa. In 1887, Mr. Consul Forrest, in his trade report for Amoy, wrote:— "Should the present enterprising Governor of Formosa establish as he is trying to do a capable port at Kelung for the shipment of Formosa tea, the future of Amoy is, to say the least, precarious."

Will another 10 years not bring about a change?

Freights, now raised by 25 per cent., ruled in 1897 as Rates of freight. follows:—

HONG-KONG TO TAMSUI.

				Currency.		Sterling.
				Yen	sen	£ s. d.
Metal	Per ton .. ..	..	..	6	0	0 12 0
Merchandise	" (dead weight) ..	..	..	6	0	0 12 0
Flour	Per bag .. ..	..	..	0	10	..
Opium	" chest .. ..	..	..	6	0	0 12 0
Sugar	" package, not exceeding 138 lbs.	..	..	0	30	0 0 7½
Treasure	Per 1,000 dol. ..	..	..	5	0	0 10 0
Piece-goods	" bale .. ..	..	..	..	..	0 3 0
Shirts	" case .. ..	..	..	..	..	0 3 0
Chinese passenger fares .. ..	..	..	..	8	0	0 16 0
Foreign passengers .. ..	..	..	..	50	0	5 0 0

The distance is 500 miles run by steamer taking three to four days via ports.

TAMSUI TO HONG-KONG.

				Currency.		Sterling.
				Yen	sen	£ s. d.
Tea	Half-chests, say 42 lbs. ..	..	..	0	30	0 0 7½
Camphor	Per box .. ..	..	..	0	50	0 1 0
Fish paper	" package .. ..	..	..	2	0	0 4 0
Merchandise	" ton .. ..	..	..	..	..	1 5 0
Passenger fares the same.	..	..	..	..	..	..
Merchandise	Measurement ..	..	..	..	..	0 12 0

AMOY TO TAMSUI.

				Currency.	Sterling.
				Yen sen	£ s. d.
Planks and lumber ..	..	Per cubic foot ..	..	0 10	..
Tea-wood ..	..	.. package ..	..	0 6	..
Merchandise ..	..	.. picul ..	..	0 40	..
" ..	..	.. ton ..	..	..	0 13 0
Passenger ..	..	..	..	{ 2 50 to 8 0 }	0 6 0
Foreign passenger ..	..	..	..	25 0	2 10 0
Distance 200 miles, say 16 hours' passage.					

TAMSUI TO AMOY.

				Currency.	Sterling.
				Yen sen	£ s. d.
Tea ..	..	Per half-chest ..	..	0 10	..
Camphor ..	..	.. box ..	..	0 25	..
Merchandise ..	..	.. ton ..	..	..	0 7 0
Chinese passenger ..	..	..	..	4 0	0 8 0

* Say 5 sen gold.

Freights and passenger rates to and from Swatow are higher than those for the more distant ports.

Japanese
shipping.

The steam communication provided by the Nippon Yusen Kaisha and the Osaka Shosen Kaisha between Kobe and Kelung direct (passage, 3½ to 4 days), and between Nagasaki and Kelung (48 hours) is excellent and very punctual. Passage rates compared to rates charged between Tamsui and Amoy very moderate, and the vessels employed of good size and speed, from 2,000 to 3,000 odd tons, average speed 12 knots.

				Passenger Rates.		
				To Nagasaki (Distance, 576 Miles).		To Kobe, via Moji (Distance about 950 Miles).
				Currency.	Sterling.	Currency.
				Yen.	£ s.	Yen.
1st class ..	..	..	..	18	1 16	25
2nd " ..	..	..	..	12	1 4	17
3rd " ..	..	..	..	8	0 16	10

The number of these vessels entering Kelung during 1897

amounted to 652 steamers, with a tonnage of 720,870; cleared 641, of 683,758 tons.

Japanese steamers cleared for foreign ports from Kelung number 12, with a tonnage of 12,213. This represents the monthly trips from Kelung to Foochow made by one of the Nippon Yusen Kaisha boats on the Vladivostock, Hong-Kong run. These steamers now run monthly from Vladivostock to Hong-Kong, via Gensen, Fusan, Nagasaki, Kobe, Shanghai, Foochow, Amoy, Hong-Kong, returning direct to Shanghai, Chefoo, Jinsin, Nagasaki, Fusan, Gensen, and Vladivostock.

The year 1897 witnessed several events in Formosa, which more or less directly affected foreign trade and interests.

General
remarks.

May 8, 1897, was the date fixed by the Treaty of Shimonoseki, after which Chinese subjects settled in the island had to become either Japanese subjects, or had to leave the island not to return, or remain on the same footing as other foreign subjects, i.e., restricted as to residence and trade to certain limits termed "limits of mixed residence," which were proclaimed at the end of April last year. Some Chinese left the island, others owning considerable interests or property left behind members of the family to become Japanese, the majority continued to reside and trade within the new limits which, however, excluded them from the city of Taipeh and the suburbs of Banka.

Status of
Chinese
subjects after
May 8, 1897.

At the same time the landing of Chinese without passports issued under the direction of the Civil Administration of Taipeh was prohibited. This was an indispensable measure of precaution against the indiscriminate arrival of Chinese whose object might be to join the unruly element already at work in the island.

Prohibition
against
landing of
Chinese.

Foreign firms, however, who could not carry on their business without Chinese labour, skilled or unskilled, were somewhat inconvenienced by this regulation; but finally an arrangement was come to whereby the Civil Administration of Taipeh gave permission to the Japanese Consul at Amoy to issue passports to those Chinese subjects who were certified by the corresponding firms at Amoy to be bonâ fide employés and men of good conduct. The number of Chinese required by the tea hong amounts to thousands.

Arrangements for
Chinese in
foreign
employ.

As Mr. Brennan has stated in his general report on Japan, the introduction into Formosa of the patient and plodding Chinaman is indispensable to the development of Formosa. Labour is very scarce and wages double those paid in Amoy.

For many years Twatutia, the centre of the tea trade and the distributing centre of North Formosa, has been the home of the foreign merchants who have quite forsaken the port of Tamsui, called Hobe in former times. Their right to reside and trade in that town seems never to have been questioned by the Chinese Government, though the latter would never allow foreigners to lease lands in their own names.

Perpetual
leases granted
to foreigners
in Twatutia
for the first
time.

A most satisfactory arrangement, however, was made with the Japanese Government whereby lands and buildings acquired previous to the end of April, 1897, and hitherto held in Chinese com-

pradores' names, could respectively be leased perpetually and owned absolutely by foreign merchants within the limits of "mixed residence" which were made to include the whole of Twatutia and several large vacant spaces. It was a pity that British merchants did not avail themselves more largely of the opportunity of acquiring land at that moment, for leases made after May 8 could not be made for a longer term than 25 years. The British merchant in Formosa is rather a pessimist in his views as to the future of the island, but if high prices for land and exorbitant rents are a guide the owners of property in Twatutia should have every reason to congratulate themselves.

Prosperity of natives.

That the natives of the cities have never enjoyed so much prosperity as at present, and that commercially they have benefited much by the altered circumstances of the island are facts that cannot be denied.

Gloomy outlook for Japanese settlers.

The Japanese traders—there are but few firms of standing—and the innumerable restaurant and "eating-shop" keepers have had a very hard time during 1897. At the end of the year there was a superabundance of merchandise, and no one seemed to have money to spend. The commotion caused in the official world by the discovery of extensive bribery scandals had a most disastrous effect on the commercial and pleasure-catering population of Taipeh. There are no indications of an improvement in the prospects of the petty trading population from Japan.

Disturbed condition of Formosa in 1897.

Whether as a demonstration against the changes then taking place, or as a mere coincidence, May 8 last year saw an attack made upon the town of Twatutia by some 600 rebels who were able, owing to the unpreparedness and the neglect of the responsible authorities, to remain in possession of the streets for some hours, during which they burnt and looted several houses, and carried away some 40,000 or 50,000 yen in cash, and left but few of their number behind in killed. Foreign residents fortunately suffered no damage, but serious alarm had been created. Threats were continually made by the rebels to renew the attack and to inflict damage on foreigners, but extraordinary precautions taken by the Japanese authorities made such an attempt difficult. Fighting between these rebels and the military at various points in the interior, more or less close to the settlements, continued right through the year. Owing to the nature of the country, military operations could not be successful, and when pursued the rebels disappeared into the mountains to reappear at some other spot. The disturbing element has been driven as far back as possible, but it continues to exist, and no doubt will take every opportunity of making itself felt. Brigandage on a large scale and continual attacks on travellers were the rule and not the exception, and districts hitherto safe have been interdicted to foreigners.

Risk to enterprise in the interior.

Such a condition of affairs, while not immediately affecting the interests of foreign merchants, has nevertheless a serious aspect in view of the operation of the new treaties next year. Foreigners assume that neither the turbulent natives nor the

savages would interfere with them were they allowed freely to travel and trade in the interior. There is every reason to suppose, however, that not from any feeling of animosity, but in order to create complications with the Japanese Government, the advent of the foreigner in the interior would be taken advantage of by the rebels, bandits, or whatever they may be called. So long as adequate protection and safety of capital cannot be secured, so long must the trading and industrial privileges granted by the new treaties be a "dead letter" to the foreign merchant in Formosa.

The want of road and rail communication is perhaps the most serious obstacle to expansion of trade, and what is of greater importance, the pacification of outlying districts. It is most regrettable that the projected railway between north and south is no nearer a commencement than it was a year ago. It is indispensable for the Government to undertake its construction; a private company like the "Formosa Railway Company" formed in Japan, and having no support in the island is bound to be a failure. Roads leave the capital in every direction, but the method of construction makes them unsuitable for permanent traffic.

Rail communication.
Roads.

Either a railway, an electric tramway, or even a good road for jinrikisha might each one be the means of a large overland passenger traffic, now entirely at the mercy of the few steam launches running between Twatutia and Tamsui. These launches often dangerously overcrowded, and providing no shelter whatever from wind, sun, or rain, and subject to no control whatever as to inspection, &c., carry somewhere near 20,000 passengers every month, who at 10 c. per head enable their owners to make some 50 per cent. profit on the outlay. Junks and cargo boats without number do the rest of the carrying trade.

River traffic.

During the year telegraphic communication with Nagasaki via the Loochoo Islands was completed. Ordinary messages are forwarded at the "urgent" rate, viz., 15 sen per word, official telegrams going forward at the ordinary rate of 5 sen per word. For the greater part of the year the "Tamsui-Foochow" cable communication was interrupted, causing great inconvenience to foreign merchants. The cable is in need of thorough repair, but it would seem as if the authorities were not particularly interested to keep up this communication for the benefit of the few foreign merchants of Formosa.

Telegraphic communication.

The central Government has as yet taken no steps to place local currency on a definite basis. With the introduction of the gold standard in Japan proper, a Government-stamped silver yen—value 96.4 sen, was introduced in the island. The ever-varying ratios between the Tamsui (chopped) dollar, the Government chopped yen, the clean silver yen, and the paper yen, cause indescribable confusion which the central Government seems in no hurry to terminate. Tamsui dollars on an average are $7\frac{1}{2}$ per cent., Government chopped yen $3\frac{1}{4}$, and clean yen 1 per cent. discount compared to paper yen.

Currency.

Banking facilities.

Several Japanese banks are established, but British merchants must finance themselves from Hong-Kong or Amoy whence they import every year chopped dollars or yen to the extent of over 4,000,000 yen, wherewith to purchase teas. Banking facilities would soon follow the merchant were he to make his headquarters in the island.

Foreign merchants in Japan not attracted. Dulness of British trade.

So far only two firms, one British and one American, represent firms established in Japan. A little rivalry on the part of the latter might have an excellent effect on the dulness now prevailing and from which British trade here seems unable to rouse itself. Business is conducted on the same lines as 20 years ago. The heads of firms live in Amoy, and do not appear to trouble themselves much about the island, never venturing to pay it a visit. Once the hard work of the tea season is over and tea-men go away for a well earned holiday, the British hongts are allowed to become deserted for nearly six months in the year, during which only a small import trade is conducted in a desultory fashion. Formosa produces other things besides tea which deserve attention, even if imports cannot be made to pay. The Government of Japan has yet to accomplish a great deal to develop fully the wealthiest corner of its Empire; but much, without the slightest doubt, remains to be done by the British merchants if they desire to take full advantage of the opportunities offering even at this stage of Formosa's development.

**Annex I.—RETURN of Principal Articles of Import into Tamsui
and Kelung during the Years 1896-97.**

Articles.		1896.		1897.	
		Quantity.	Value.	Quantity.	Value.
			£		£
Opium—					
Benares	Cwts. ...	79	7,249	407	25,671
Persian	" ...	609	53,572	1,748	87,692
Other kinds ... ..	" ...	...	...	643	32,805
Cotton goods—					
Grey shirtings	Pieces ...	51,113	16,590	...	12,335
White shirtings	" ...	61,028	24,210	...	30,110
T-cloths	" ...	1,887	454	...	499
Cotton yarn ... ..	...	...	...	...	2,822
Other goods ... ..	...	...	...	...	29,978
Woolens—					
Camlets	Pieces ...	...	3,477	...	4,957
Lastings ... ..	" ...	...	1,215	...	2,013
Long ells ... ..	" ...	...	1,548	...	1,408
Yarn ... ..	...	...	1,985	...	1,028
Other goods ... ..	...	...	8,428	...	9,769
Metals—					
Iron, manufactured	Cwts. ...	5,202	2,224	...	3,185
Tin ... ..	" ...	...	846	203	628
Lead	" ...	14,944	8,710	19,937	9,063
Sundries—					
Beer	Dozen ...	...	9,597	52,054	11,770
Flour	Cwts. ...	11,338	17,261	35,978	15,861
Grass cloth ... ..	...	...	...	...	30,099
Ginseng ... ..	...	...	...	...	10,397
Kerosene oil—					
American	} Gallons ...	...	21,386	2 187,968	45,306
Russian					
Other kinds					
Poles and planks ... ..	...	...	...	...	21,505
Matches	Gross ...	152,177	5,160	73,600	2,266
Paper, Chinese ... ..	...	...	...	...	12,885
Pigs	Head ...	...	...	182,990	69,418
Rice	Cwts. ...	277,234	80,883	56,829	15,705
Sugar, white ... ..	" ...	...	...	42,047	25,705
Silk goods ... ..	...	...	11,845	...	20,113
Tobacco	Cwts. ...	...	15,215	6,977	24,262
Tea boxes ... ..	...	...	...	...	8,964
Provisions of various kinds ... ..	...	...	...	...	29,847
Miscellaneous ... ..	...	...	254,399	...	183,061

**Annex II.—RETURN of Principal Articles of Export from Tamsui
and Kelung during the Years 1896-97.**

Articles.		1896.		1897.	
		Quantity.	Value.	Quantity.	Value.
			£		£
Camphor	Cwts. ...	37,269	194,221	33,603	121,938
Coal	Tons ...	4,723	2,476	4,630	1,382
Tea—					
Oolong	Lbs. ...	19,236,281	592,326	17,867,438	654,583
Pouchong	" ...	1,945,020	41,860	2,445,152	46,794
Hemp	Cwts. ...	...	...	6,302	4,835
Rice ... ..	" ...	...	...	4,840	1,104
Sundries ... ..	...	...	18,245	...	19,071
Total ... ..	...	...	849,128	...	849,707

**Annex III.—RETURN of all Shipping at the Ports of Tamsui
and Kelung during the Year 1897.**

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	88	60,908	1	399	89	61,307
German	2	2,287	4	1,120	7	3,407
Chinese (launches)	5	116	1	400	6	516
Danish	11	4,656	...	...	11	4,656
Norwegian	1	541	...	...	1	541
Japanese	672	737,123	1	400	673	737,523
Chinese junks ...	...	...	1,692	31,378	1,692	31,378

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	84	58,922	1	399	85	59,321
German	2	1,379	2	810	5	2,219
Chinese ... ..	...	...	...	...	...	...
Danish	11	4,656	...	...	11	4,656
Norwegian	1	541	...	...	1	541
Japanese	652	695,707	1	400	653	696,107
Chinese junks	1,610	29,942	1,610	29,942

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J A P A N.

REPORT FOR THE YEAR 1898

ON THE

TRADE OF NORTH FORMOSA.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 2148.

*Presented to both Houses of Parliament by Command of Her Majesty,
AUGUST, 1899.*

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Report on the Trade of North Formosa for the Year 1898

By MR. CONSUL LAYARD.

(Received at Foreign Office, July 31, 1899.)

Whilst it is satisfactory to note that the total foreign trade during 1898, for this district, including Tamsui, Kelung, and the four special ports of import and export, increased by a sum exceeding 200,000/., maintaining the ratio of increase on the total trade for the preceding year—the fact remains that the British merchant got but little benefit from the enhanced value of the import trade, and is, on the other hand, materially interested in the decrease of the export trade, occasioned by the falling-off shown in the value of tea and camphor exported. The increase standing against articles in the table of imports (Annex I) goes to the profit of the Chinese merchant, and I can only repeat, what was touched on in the trade report of this district for last year, that, seeing what a large percentage of this trade comes by junk from China, it is astonishing that steps are not taken by British merchants and shipping companies to obtain a better hold of the trade from China to North Formosa.

The total increase of imports for this district amounted to 303,416/., whilst the exports decreased in value by 94,207/., the decrease being almost entirely at Tamsui.

TABLE showing Comparative Value of Imports and Exports for North Formosa during the Years 1897-98.

	Value.			
	1897.	1898.	Increase.	Decrease.
	£	£	£	£
Tamsui and Kelung—				
Imports	786,635	1,063,436	276,801	..
Exports	849,707	753,745	..	95,962
Special ports—				
Imports	151,968	178,583	26,615	..
Exports	184,070	183,825	1,755	..
Total	1,972,380	2,181,589	303,171	95,962

Comparative
table of
imports and
exports,
1897-98.

**Imports
(Annex I).
Opium.**

Nearly a quarter of the increase in the import trade is due to the large arrivals in 1898 of opium; which, although imported entirely by the Formosa Government, have been included in the above table for convenience of comparison with the trade of 1897.

The Government opium refinery at Taihoku (Taipeh) is in full working order, but it is stated that the drug is sold at cost price, and with no idea of making any profit.

If we are to assume that the restrictions put upon the use of the drug by the Formosa Government have been efficiently carried out it would appear, from the increased import figures, that the authorities have been successful in checking illicit smoking to a considerable extent.

**Cotton goods.
Grey and
white
shirtings.**

Grey shirtings show a very slight increase whilst there is a decrease of 4,348*l.* in white shirtings, and a falling-off of over 8,000*l.* in other kinds of cotton goods. The whole business in foreign hands amounts to very little.

Woollens.

There is nothing special to report about woollens, but the import has largely decreased.

**Metals.
Lead.**

A slight increase in the import of lead has to be recorded. This article which is imported chiefly for packing tea and camphor, comes nearly wholly from Australia, in the shape of pigs. Very little sheet-lead is imported. The pig-lead is melted and in that state poured between two large tiles—the required degree of thinness for the sheet being obtained by pressure of the foot. The sheet is afterwards trimmed to suitable sizes and shapes for soldering.

Cement.

The import of cement is of too small an amount to require any special notice. The favourite brand comes from the Green Island Cement Company, Limited, of Macao, who are also establishing works at Hong-Kong.

The principal importations are from this company and from Japanese cement works. There were in 1898 also a few foreign brands in the market, but it is very doubtful whether they can hope to compete in price with those already mentioned.

Although for this reason no great increase in the importation of foreign brands can be reckoned upon, it is probable that a large quantity of cement will be required during the current year if the Formosa Government carry out the public works which have been talked of.

Beer.

There is a considerable reduction in the amount of beer imported from abroad—chiefly from German manufacturers, owing no doubt to the supply being kept up through Kelung of “Japan-brewed” beers. There is no decrease observable in the general consumption.

Flour.

The import of flour, principally American, has increased by more than 35 per cent., from 16,861*l.* in 1897 to 22,864*l.* in 1898. Any shortage in the rice crop has the effect of sending up this import; and the bad weather in the autumn of 1898 was, in this case, directly responsible.

There is a considerable and increasing trade in kerosene for this district, importations during 1898 having been as follows:—

				Quantity.		
				Tamsui.	Four Special Ports.	Total.
				Gallons.	Gallons.	Gallons.
American—						
“Comet” oil..	..	..		1,306,878	} 165,030	1,588,075
“Tiger” brand	..	..		116,167		
Russian ..	..	..		550,615	4,660	555,275
Langkat..	..	..		393,840	..	393,840
Total	..	..		2,367,500	169,690	2,537,190

It is impossible to obtain exact figures of the amounts of the different brands of American oil imported to the four special ports, but the proportion of “Comet” oil to the “Tiger” brand is as about 135 to 12.

Some 8,049 gallons of Russian oil were imported in bulk to Tamsui, where storage godowns have been built by a British company, fronting the river, with a jetty extending into the river for the accommodation of steamers. The oil brought in tank is soldered up on the spot in tins made with suitable machinery at the godowns where they are then deposited.

Russian oil in bulk.

Method of preparing for the market at Tamsui.

It has been found that the oil was not so much in demand as the American oil, which probably arose from the fact that the tins were not enclosed in cases. The Chinaman finds the unprotected tin more difficult to transport, besides which the wooden box is also of service to him after he has turned the empty tins into buckets or other utensils.

Steps are being taken to draw the oil by a pipe line laid along the pier from the steamer into tanks in the godown, thus saving much delay to vessels, and the want of cases can be easily and cheaply supplied.

Occasionally, cases of oil put up in second-hand tins of various companies, and apparently by Japanese, have from time to time appeared on the market, but the place of production is doubtful and the import is hardly worth mentioning.

Matches have recovered the decrease shown in 1897, and the import of 1898 exceeded that of 1896 by 1,111/.

Matches.

With the exception of grasscloth, ginseng, silk-goods, and tea-boxes all the articles under sundries show a very considerable increase.

Miscellaneous Eastern produce.

The import of poles and plauks has doubled in value.

Poles and plauks. Pigs.

Pigs to the value of 82,433/ were imported in 1898 into Tamsui and Kelung, as against 69,418/ in 1897, the opportunity of shipping larger numbers having been seized, whilst pigs were still classed as articles free of duty.

(461)

- Chinese paper.** The Chinese trade included also native paper of all kinds, 31,652*l.*, with an increase of 8,767*l.*; rice, 86,608*l.*; with an increase of 70,903*l.*; provisions of all kinds, comprising salt fish, vermicelli, cuttlefish, Chinese liquor, and the like, 76,702*l.*, showing an increase of 46,855*l.*, and sugar which increased from 25,705*l.* in 1897 to 40,206*l.* in 1898.
- Provisions.**
- Sugar.** Referring to this last item there has been an increasing trade in the refined article since the advent of the Japanese. Last year's import was, as shown, largely in excess of that of 1897.
- The bulk of these sugars come from the China Sugar Refinery Company, Limited, and the Taikoo Sugar Refinery, both being refineries of Hong-Kong.
- Special ports.** This item has almost disappeared from the customs returns for 1898, only 13*l.* worth having been recorded as imported, but on the other hand, tissues described as Chinese cotton piece-goods and grass-cloth were imported into the four special ports of Liukong, Kiukong, Oulan, and Gochei to the extent of 30,786*l.* and 10,285*l.* respectively.
- Shirtings.**
- Kerosene.** Kerosene oil imported into the four ports fell to 4,194*l.*, about half of the amount of the previous year's importation.
- Miscellaneous.** Other items worth mentioning are cut tobacco—both English and Chinese—valued at 21,820*l.*; wood and planks, 9,381*l.*; pigs, 18,497*l.*; joss-paper, 12,750*l.*; Chinese paper of all other kinds, 2,639*l.*; joss-sticks, 1,324*l.*; provisions of every description nearly all of Chinese origin, 19,466*l.*; which, with miscellaneous items amounting to 47,428*l.*, bring the imports of the four special ports to a total of 178,583*l.*
- Kelung trade insignificant.** The foreign import trade of Kelung, practically all with China, was, as in former years, of small value, amounting only to 76,434*l.*
- Exports (Annex II).** The export trade of Kelung of which the two principal items were coal, hemp and other fibres, amounted only to 7,984*l.*
- Camphor.** The camphor trade, that is to say, the manufacture of camphor, for some time past in the hands of German merchants only, has ceased to be of interest to any but Chinese and Japanese, the latter having in every way more facilities for handling this article in the interior. Although from time to time reports come in of robbery with violence perpetrated by banditti up-country, most places where camphor is now manufactured can be considered as more or less quiet.
- The camphor monopoly.** Since it has been decided by the Formosa Government to institute a camphor monopoly, production has materially increased, owing to the high prices ruling in Hong-Kong during the last few months.
- The Government intends, it is stated, to work the monopoly on the following lines.
- The monopoly will come into force on July 1, 1899, and the Government alone will then be allowed to purchase camphor from the producers; and as they will only buy a certain quantity per annum, they will have absolute control of the working of camphor, together with all matters respecting the cutting down of trees, &c.

Permits will be issued to producers, and anyone having the proper concession-papers, and who has taken out a license in due form, will be allowed to produce camphor.

The Government will itself undertake the sale of the raw camphor, after production, in its unrefined state, and will dispose of it to purchasers at certain points to be determined upon by the Government. These places will probably be Daitotei (Twatutia), Shinchiku (Tekcham), Tokohann, and the towns on the west coast where camphor has usually hitherto been deposited awaiting transport.

The Government has already fixed the price of camphor for the period from July 1 next to the end of the financial year at 30 yen (say 3*l.*) per 100 catties (say 133½ lbs.).

This price would, however, seem to be too low, and it will very probably be raised a few months after the monopoly has come into force, for the following reasons:—

If the Government buys at 30 yen, at the places of production, *i.e.*, as it comes out of the stills, this would give the manufacturer only 2 or 3 yen profit, not taking account of possible, and probable losses occasioned by typhoons or other causes, whilst if the Government proposes to make its purchases at Daitotei (Twatutia), Shinchiku (Tekcham), and the other places mentioned, 30 yen would be quite insufficient to give a profit after deducting expenses for cost of transport from the stills and loss in weight. This last item alone would amount to at least 10 per cent.

It is estimated that the profit on purchased camphor during the nine months of the financial year still to run after July 1, 1899, will amount to 369,168 yen (say 36,917*l.*), but as the organisation and management of the monopoly involves an outlay of over 277,000 yen (say 27,700*l.*) the net profits will scarcely exceed 20,000*l.* per annum.

As already stated, no foreign firms are at present interested in the manufacture of camphor in Formosa, and it is very doubtful whether they will ever engage in it again, after the reverses they have experienced since the arrival of the Japanese.

The present monthly export to Hong-Kong may be calculated at from 2,000 to 2,500 boxes from Tamsui, and say from 100 to 200 boxes from Kelung to Japan.

Owing to the enhanced prices ruling in Hong-Kong, in anticipation of the monopoly, the total export from this island has increased by about 600 boxes a month.

It is obvious that the Government will use every endeavour to put the camphor-producing business on a firm basis, but, although the country is gradually becoming pacified, it will for some time to come find it very uphill work.

There has been some talk of a private arrangement between the Government of Formosa and a foreign firm for a grant of the monopoly, but authoritative information is wanting, and as a fact it is doubtful.

Any extensive development of the existing coal measures in Coal the vicinity of Kelung seems to be as far from being carried out as ever.

The coal is there, but no effort appears to have been made to work any of the mines except such as are easy of access or are surface outcrops, indicative of what might be accomplished with more elaborate workings.

The export from Kelung amounted to the trifling sum of 3,016*l.*, an increase, however, on that of the preceding year; and there was a steady demand for this fuel by steamers visiting the harbour.

Tea. The export of Formosa oolongs in 1898 fell short of that in 1897 by over 400,000 lbs., and the value amounted to 569,684*l.*, as against 654,583*l.* in 1897.

Pouchongs show an increase from 2,445,152 lbs. in 1897, valued at 46,794*l.*, to 2,704,185 lbs. in 1898, valued at 52,673*l.*

In 1898 the export of tea in half-chests amounted to some 484,061 half-chests as against 434,431 in 1897.

The average value realised for this season was 37.68 dol. (gold) per picul (133½ lbs.) as against 47.25 dol. (gold) per picul (133½ lbs.) for the previous year, whilst for the first time for many years exchange was not an appreciable factor in affecting market fluctuation, sterling rates varying only some 3 per cent. from highest to lowest.

Spring teas were of fair average quality, not standing out in any particular form from the bulk of similar crops in the past. The market opened in the month of May.

Early in the season the duty of 10 c. (gold) per *lb.* was imposed on teas imported into the United States of America, coming into force last June.

This duty having been put on after the market opened, and prices for a considerable amount of teas having been settled in advance, no appreciable decline took place, with the consequence that early shipments resulted in smart losses in the United States. Towards the end of June and throughout July, there was a dull period; foreign buyers seemed disinclined to buy freely, but sufficient was bought to give the Chinese confidence and to prevent the decline that might have obtained in face of the new duty.

It may be noticed that average prices as compared with 1897 show a decline of about 5 c. (gold) per *lb.* or one-half of the import duty.

Summer teas were of first-class quality, but there was a significant shortage in "choice" and "fancy" teas, the gathering of this summer crop coinciding with the dull period as regards buyers' operations, which ensued on receipt of definite news in the middle of June of the imposition of the 10 c. duty.

After a month or more during which the market was inactive both in Tamsui and Amoy, it by degrees assumed a firmer shape, which continued through August and September.

During September a succession of typhoons caused great destruction, but more particularly affected the quality than the quantity of tea, and in October large settlements were effected at a lower range of prices with an active demand.

From the end of October to the end of the season the demand

continued at irregular though advancing prices, and a rise of say 10 per cent. was established from the lowest point, fully previous rates ruling at the end of the season for much lower qualities. Throughout the season the demand in the United States ran on "teas for price."

The season showed heavy losses to the Chinese, and, on the whole, cannot have been very satisfactory to importers, at any rate for the earlier portion. It is hard to say in what proportion Formosa teas were bought in Tamsui and Amoy as returns are unreliable, but the tendency would seem to be for the buying market to come more and more to Tamsui, more particularly in view of the advent of new foreign firms from Japan.

The question of shipment of tea to the United States viâ Japan (or direct) is touched upon later in this report, under the heading of general remarks.

A promising export, that of hemp, jute, and other fibres, to which attention was first called in last year's trade report for this district has increased, as regards Tamsui and Kelung, from a value of 4,835*l.* to one of 7,393*l.*, whilst the export from the four special ports amounted to another 19,645*l.*, a total not far from quadruple that of 1897. Hemp, &c.

Annex III gives a return of foreign shipping entered and cleared at Tamsui and Kelung. British shipping at Tamsui shows an increase on 1897 of eight ships of 5,969 tons. Besides this, four German, four Norwegian, and three Danish steamers, with a total tonnage capacity of 7,175 tons touched at Tamsui. Shipping (Annex III).
Increase in British shipping.

At Kelung two British steamers of 3,225 tons, and four other foreign steamers, with a total of 2,798 tons, entered the harbour.

The total increase in foreign shipping at the two ports was two ships and 11,090 tons.

The first attempt of Japanese shipping companies in 1898 to compete in the Tamsui trade was of the feeblest character and failed to gain any footing whatever in the trade. One steamer dragged her anchors in a heavy freshet and ran ashore on the rocky beach at the mouth of the river, whilst the owner of another had to withdraw himself as well as his steamer from the port for financial reasons. Competition by Japanese companies.

It should more properly appear in a report for 1899, but it will be as well here to mention that the Osaka Shosen Kaisha have begun to run two steamers, making the round trip between Tamsui, Amoy, Swatow, and Hong-Kong once a fortnight, starting on alternate Sundays in direct opposition to the steamers of the Douglas Steamship Company. The Osaka Shosen Kaisha.

The opposing methods employed included disparaging, not to say slanderous, remarks upon their rivals in the local vernacular press, together with a large reduction of freights, and merely nominal rates for Chinese passengers who are now coddled on the journey to an extent never experienced except at such times of competition.

The Douglas Steamship Company, hitherto in practically

undisturbed possession of the entire steamer traffic of the port met the opposition by a corresponding reduction in freights and fares, and by increasing the number of their steamers, of which they have now four, besides a German vessel under charter, running without intermission on the line via ports between Hong-Kong and Tamsui.

It was assumed that the Japanese company would have the monopoly of carrying all opium on Formosa Government account, but a shipment of the drug has recently been made by one of the Douglas steamers.

It is said that it can afford to lower rates to an exaggerated degree, owing to a subsidy it receives from the Japanese Government, a subsidy variously stated to amount from 5,000% to 15,000%, but there is very good authority for the statement that they now find themselves severely put to it to keep their rates even at their present figures. They do not seem to have calculated that the Douglas Steamship Company could almost if not quite afford to run their steamers on freight supplied by their shareholders alone.

It may be said that a proper combination, at an earlier date, amongst British shipping companies might have prevented this competition, but under no circumstances would the Japanese have consented to be kept out of the business or at any rate to be deterred from attempting to compete.

A comparative table is given below showing freights ruling in 1897 and 1898, and giving the rates quoted by the Osaka Shosen Kaisha on opening their line, with the corresponding drop in freights by ships of the Douglas Company.

Low rates of freight resulting from competition.

The rates given in sterling are approximative, where too fractional for conversion accurately.

COMPARATIVE Table of Freights ruling in 1897-98 and now.

HONG-KONG TO TAMSUI.

			1897.	1898.	Osaka Shosen Kaisha. — Opening Rates.	Douglas Steamship Company. — Present Rates.
			£ s. d.	£ s. d.	£ s. d.	£ s. d.
Metal	Per ton, d.w., of	20 cwt.	0 12 0	0 16 0	...	0 4 0
Merchandise	Per ton measure	...	0 12 0	1 4 0	...	0 6 0
Flour	" bag ... ..	...	0 0 2½	0 0 2½	0 0 5	0 0 0½
Opium	" chest ... ..	...	0 12 0	0 12 0	...	0 10 0
Sugar	" package, not exceeding 133 lbs. ... ..	...	0 0 7½	0 0 7½	0 1 9	0 0 3
Treasure	Per 1,000 dollars	...	0 10 0	0 5 0	0 10 0	0 5 0
Piece-goods	" bale ... ..	...	0 3 0	0 5 0	0 0 9½	0 2 0
Shirtings	" case ... ..	...	0 3 0	0 5 0	0 0 9½	0 2 0
Chinese passengers ... ..	...	...	0 16 0	0 18 0	...	0 6 0
Foreign passengers ... ..	...	...	5 0 0	5 0 0	...	5 0 0

* Sliding scale.

TAMSUI TO HONG-KONG.

		1897.	1898.	Osaka Shosen Kaisha. — Opening Rates.	Douglas Steamship Company. — Present Rates.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.
Tea	Per half chest (say 42 lbs. nett)	0 0 7½	0 0 7½	0 0 5	0 0 3½
Camphor	Per box	0 1 0	0 1 3½	0 0 7½	0 0 3½
17th paper	„ package	0 4 0	0 4 0	...	0 2 0
Merchandise	„ ton weight	1 5 0	1 4 0	...	0 6 0
„ „ „	„ „ measure	0 12 0	0 16 0	...	0 6 0
Passengers' fares	the same.				

AMOY TO TAMSUI.

Planks and timber ...	Per cubic foot ...	0 0 2½	0 0 2½	...	0 0 1½
Tea-wood	„ package	0 0 1½	0 0 2	...	0 0 0½
Merchandise	„ ton measure	0 13 0	0 12 0	...	0 6 0
„ „ „	„ „ weight ... ..	...	0 8 0	...	0 3 0
Chinese passenger ...	...	0 12 0	0 8 0	...	0 1 0
Foreign passenger ...	...	2 10 0	2 10 0	...	2 10 0

* Nominal.

TAMSUI TO AMOY.

Tea	Per half chest (say 42 lbs. nett)	0 0 2½*	0 0 3	0 0 2½	0 0 1½
Camphor	Per box	0 0 6	0 0 7½	0 0 3½	0 0 3½
Merchandise	„ ton measure	0 7 0	0 12 0	...	0 6 0
„ „ „	„ „ weight ... ..	...	0 8 0	...	0 3 0
Chinese passenger ...	...	0 8 0	0 8 0	...	0 1 0
Foreign passenger ...	...	...	...	...	...
The same either way.					

* Say 5 c. gold.

At Kelung where only British steamers entered during 1898, the steamers of the Nippon Yusen Kaisha and the Osaka Shosen Kaisha have kept up their reputation for excellence and regularity and ply to Japan as formerly.

The steamer of the Nippon Yusen Kaisha, which made monthly trips to Foochow, has been taken off the line.

There can be no doubt but that the Japanese Government will do all in its power to foster a direct export of tea from Kelung to America in Japanese steamers, either viâ Japan or direct, but this consummation seems to be no nearer than in previous years. The want of harbour facilities at Kelung, the carriage by rail to that port from Twatutia, and other drawbacks have all to be taken into consideration, whilst some of the merchants profess to be little concerned with this danger menacing their Amoy business on the assumption that British steamship companies still have a good working margin on freights, and that tea can be delivered in New York at a freight, including the Suez Canal dues, which will render abortive any attempt to ship it viâ Japan and San Francisco.

Prospects of
tea export
viâ Kelung.

Direct
shipment to
Japan from
Tamsui.

So far as Kelung is concerned this may be the case, but the last word has not yet been said about Tamsui harbour, which if properly dredged might, for vessels of moderate draught, fairly enter into competition with Kelung for shipment at least to Japan. In fact one shipment has already been made from Tamsui to Kobe, when the opportunity of a direct transit offered.

However opinions may vary on these points, the danger to the Amoy trade exists, whether it can be successfully met or not, and it is for British merchants and shipping companies to see to it that all precautions are taken to prevent any inclination of trade in that direction if they wish to avert the ruin of the Formosa section of the Amoy tea business.

Increase in
junk trade.

It is to be regretted that the sources of prosperity of the increasing junk trade are not tapped by the British steamer companies. There is no question about the truth of the statement, and it has been repeated "ad nauseam" in trade reports by Her Majesty's Consuls, both here as well as in China, that there is an opening, and a lucrative one, for steamship companies to send steamers to the open ports north of Amoy whence the junk traffic to the two northern ports of this island is a steadily increasing feature of the import trade.

General
remarks.
Communica-
tion between
Tamsui and
Twatutia
deficient.

Practically no progress whatever has been made in improving means of communication between Twatutia the business centre and Tamsui the port of this district.

The road constructed by Japanese engineers, originally well planned and graded, suffered from typhoons and rains to such an extent that scarcely enough of any single bridge was left standing to admit of foot-passenger traffic, whilst for wheeled vehicles the route is entirely impassable.

During the last few weeks, however, stone retaining walls for new bridge-ends have been under construction, and it is to be hoped that the road may soon be practicable again for all traffic, whilst no doubt experience will have shown the designers that, if wooden bridges are constructed, better precautions must be taken against the ravages of white ants or that some other material than soft wood must be employed.

River traffic.

As to the river traffic at Tamsui, the same decrepit steam-launches staidly ply as formerly, their passage frequently interrupted by detention of more or less lengthy periods on the numerous sand-bars and shallows. Fares by these launches were raised 50 per cent. in 1898, the fare being now 15 c. a head from Tamsui to Twatutia. No police supervision is exercised, so far as one can gather, as to the number of passengers carried, and the crowds of coolies travelling by them render it not only impossible for anyone with sensitive olfactory nerves to travel by them, but make the launches so top heavy that they are often dangerous to life.

Flat bottomed
steamboats
recommended.

For some years past I have been urging persons interested in the river traffic to try the experiment of a flat-bottomed steamboat either side or stern-wheel of shallow draught, which would be able to ply on the river at any state of the tide, and besides

conveying passengers could also ease the sailing cargo boats of some of the river carrying trade which they at present monopolise.

So far no one seems anxious to undertake the venture, the chief objections being the initial cost and the danger that a boat of that kind would run if exposed to a typhoon. This latter objection is not insuperable, and could probably be met by having suitably protected places where the boat could be laid up if occasion required.

It seems hopeless to expect, for a long time yet, to see a railway built between Tamsui and Twatutia, but there is no doubt, in view of the trifling engineering difficulties to overcome, of its proving a paying investment, under certain conditions, and one can only look eagerly for the day when the Tamsui harbour and river anchorage, properly dredged and embanked, will be lined with steamer-wharves directly connected, viâ Twatutia, with a main trunk line of railway running through the country.

It would, of course, be imperative in order to make this line a lucrative one for goods traffic, and to enable it to compete with the river transport, that it should be of the same gauge as the trunk line, and that it should, by means of sidings, be in close communication between the shipping and that line, so as to save all possible delay and transport charges.

The main trunk line runs no further south than Shiusha, a place some three miles to the north-east of Shinchiku (Tekcham), but from that point it is now possible to traverse the whole length of the island in about six days by means of a trolly-line, on which run miniature cars pushed by coolies.

It is worthy of notice in this connection that the price of all commodities consumed by the natives of the island are enhanced to an excessive extent in the different districts by the want of efficient communication. At Changwa, a place lying midway between Twatutia and the southern port on the line which the trunk railway would take through the length of the island, rice has lately been selling in the proportion of 10 dol. there for rice which would cost 6 dol. at Tamsui, and it is scarcely necessary to emphasise the fact that prices would find a more normal level with regular goods traffic by railway.

The customs authorities have much the same difficulty as ever with regard to the junk traffic between Chinese ports and Formosan ports not open to foreign trade, owing to the ease with which the junks can assume either nationality according to the country they are visiting. The nature also of the shallow western shore of this island makes it dangerous and sometimes impossible for the revenue steamers to cope with the smuggling which can be and is carried on.

The freshets of last August, which together with an exceptional number of typhoons caused such damage in this district, have considerably altered the state of the harbour entrance to Tamsui, and have silted up the river in many parts between that place and Twatutia, making the upper channel of the river worse than ever.

Tamsui-Twatutia
Railway,
urgent need
of.

Prices in the
interior.

Smuggling.

Harbour of
Tamsui.

The buoys which marked the entrance through the river-bar to the anchorage were torn away and lost, and new ones were not put in their place for months afterwards. The tremendous outflow of water at the same time had the effect of scouring out the bar channel, and making it 3 or 4 feet deeper.

Government
survey of
Tamsui river.

A survey is now being carried out by the Formosa Government of the river generally, with a view to determining whether, or in what form, operations can be undertaken so as to improve the channel and define the banks where necessary. Should the plan soon be decided upon, and at Tamsui in particular, a limit defined along the town frontage, up to which reclamation may be set about, there is every reason to expect that riparian owners would quickly avail themselves of the opportunity to co-operate with the Government in building wharves and embankments along the river.

Security of
shipping:
means of
improving.

If this were properly carried out on uniform lines, there would be ample accommodation for fully 20 steamers, of the tonnage usually frequenting this port, to berth stern to stern alongside such wharfage, and the security to shipping would be enormously increased, for when tied up to a wharf steamers would run little or no risk from typhoons or freshets.

Absence of
harbour
control.

At present the absence of any control over shipping, such as might be exercised by a duly qualified harbourmaster, the casual manner in which junks and steam launches are allowed to anchor in the only parts of the river where large steamers can manoeuvre, and the lighthearted vagaries of the subordinates of the Lighthouse Department, who have been known to reverse the red and green sectors of the harbour beacon, all combine to irritate the mariner who brings his vessel into these waters, and which is considerably more important, constitute a real danger to traffic.

Telegraphic
communica-
tion.

The Tamsui-Foochow cable, which lands at Sharp Peak on the China coast, has been under examination by the Japanese Government, but is not yet in working order.

Postal
arrangements
defective.

There is great improvement noticeable in the transmission of inland telegrams, but the postal arrangements leave much to be desired.

Currency.

Nothing was done in 1898 to satisfactorily settle the question of the "local currency," if one can use an ambiguous term. The paper yen of Japan is the unit of value so far as the Japanese inhabitant of Formosa is concerned, all other current coin being at a greater or less discount, but the Chinese merchant still makes his calculations for his daily needs in the "Tamsui" dollar. The Tamsui (native-"chopped") dollar, the Japanese Government-"chopped" silver yen, and the clean silver yen, besides an infinite variety of subsidiary coinage, are still in use, and the result is hopeless confusion. What advantage there can be in giving currency to a "chopped" silver yen ("chopped" by Government with one Chinese character signifying "silver"), as well as a clean or un-"chopped" silver yen of the same mint date, intrinsic value and fineness with it, but carrying a lighter penalty of discount against the paper yen, baffles any ordinary intelligence.

Much has been said about the want of enterprise shown locally by the British merchant, but although at first sight there would appear to be considerable truth in these strictures, it is only fair to judge the situation from their point of view also. They had been in the first place accustomed in Formosa to Chinese methods of business, methods which had worked well here as well as on the mainland, and had been for years enjoying that security of feeling arising from the traditional and well-placed faith in the trustworthiness of the Chinese men of business with whom they had had dealings.

Position of
British
merchants.

Suddenly, with the incursion of the Japanese trader, and the petty trader almost solely, for few Japanese traders of established repute have touched the island, the merchant found himself, as it were, in an unknown country. He had an ingrained conviction, gathered from many published sources, that dealings with the Japanese merchant at large were to be avoided unless on very excellent security, and his first experience of what he considered typical Japanese, who came with the first rush into this country, helped (with considerable reason, it may be remarked) to confirm him in that conviction; but although the merchant still finds Japanese business methods irksome and unfamiliar, a better feeling now prevails. The firms are all provided with competent Japanese interpreters, much time and trouble is saved thereby, and friction prevented.

The Chinese trader, on the other hand, better fitted to adapt himself to awkward conditions, soon found out the weak points of the Japanese, and whilst keeping his usual advantageous position in respect of the foreigner, battens freely on the dollars of the conqueror.

The advance in prices caused by the Japanese invasion has been kept up to the detriment of the foreigner, solely because the Chinese have found out that they can impose with impunity on the Japanese in the matter of prices.

Post-bellum
prices
maintained.

The native, of the towns at least, has never before been more prosperous nor better fed, notwithstanding short crops, typhoons, and freshets. As matters stand, both Japanese and foreigners are forced to admit that the only ones who are really making any considerable profit are the Chinese, and so it will continue until labour is cheapened by Chinese immigration, the only hope, deferred indefinitely by the restrictions, for the development of Formosa.

Prosperity of
the Chinese.

**Annex I.—RETURN of Principal Articles of Import into Tamsui
and Kelung during the Years 1897-98.**

Articles.			1897.		1898.	
			Quantity.	Value.	Quantity.	Value.
				£		£
Opium—						
Benares	Cwts.	...	407	25,671	748	41,650
Persian	"	...	1,748	87,692	2,723	156,510
Other kinds... ..	"	...	643	32,305	62	3,279
Cotton goods—						
Grey shirtings ... ..		...	...	12,335	...	14,196
White shirtings ... ..		...	...	30,110	...	23,752
T-cloths ... ..		...	...	499	...	293
Cotton yarn... ..		...	...	2,822	...	2,842
Other goods ... ..		...	...	29,978	...	21,743
Woollens—						
Camlets ... ..		...	...	4,957	...	5,264
Lastings ... ..		...	...	2,013	...	1,676
Long ells ... ..		...	...	1,408	...	942
Yarn ... ..		...	...	1,026	...	559
Other goods ..		...	...	9,769	...	970
Metals—						
Iron, manufactured ..	Cwts.	...	...	8,185	8,572	3,983
Lead	"	...	18,927	9,063	...	10,473
Sundries—						
Beer	Dozen	...	52,051	11,770	39,120	8,375
Flour	Cwts.	...	35,978	16,861	50,904	22,864
Ginseng ... ..		...	...	10,397	...	7,229
Grass-cloth ... ..		...	...	30,099	...	10,076
Kerosene oil—						
American... ..	Gallons	...	2,187,903	45,306	1,423,045	27,824
Ku-sian					550,015	7,884
Other kinds					313,840	7,122
Matches	Gross	...	73,600	2,266	189,600	6,271
Paper, Chinese ... ..		...	...	12,885	...	31,652
Pigs	Head	...	132,990	69,418	97,200	82,433
Poles and planks ... ..		...	...	21,505	...	43,951
Provisions of various kinds ... ..		...	...	29,847	...	70,702
Rice	Cwts.	...	50,829	15,705	292,035	86,608
Silk goods ... ..		...	...	20,113	...	18,039
Sugar, white	Cwts.	...	42,047	25,705	65,781	40,206
Tea boxes ... ..		...	...	8,964	...	8,615
Tobacco	Cwts.	...	6,977	24,262	11,323	43,865
Miscellaneous ... ..		...	...	183,699	...	239,858
Total ... ..		...	...	786,633	...	1,063,436

**Annex II.—RETURN of Principal Articles of Export from Tamsui
and Kelung during the Years 1897-98.**

Articles.			1897.		1898.	
			Quantity.	Value.	Quantity.	Value.
				£		£
Camphor	Cwts.	...	33,603	121,939	26,144	92,292
Coal	Tons	...	4,630	1,382	7,772	3,016
Tea—						
Oolong	Lbs	...	17,857,438	654,583	17,422,631	569,684
Pouchong	"	...	2,445,152	40,794	2,704,185	62,673
Hemp, &c.	Cwts.	...	6,302	4,835	...	7,393
Rice	"	...	4,840	1,105	8,612	2,708
Sundries ... ..		...	...	19,071	...	25,979
Total ... ..		...	...	849,707	...	753,745

Annex III.—RETURN of all Shipping at the Ports of Tamsui and Kelung during the Year 1898.

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	98	69,734	1	767	99	70,501
German	5	3,490	1	280	6	3,770
Danish	3	1,272	...	...	3	1,272
Norwegian	7	5,211	...	...	7	5,211
French	1	763	...	...	1	763
Japanese	18	11,190	20	489	38	11,679
Chinese junks ... ..	...	...	1,758	41,757	1,758	41,757

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	98	69,734	1	767	99	70,501
German	5	3,490	...	...	5	3,490
Danish	3	1,272	...	...	3	1,272
Norwegian	7	5,211	...	...	7	5,211
French
Japanese	14	11,081	19	462	33	11,543
Chinese junks	1,705	40,298	1,705	40,298

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ON THE

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REFERENCE TO PREVIOUS REPORT, Annual Series No. 2339.

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Reference to previous Report, Annual Series No. 2339.

Report on the Trade of North Formosa for the Year 1899

By MR. CONSUL LAYARD.

(Received at Foreign Office, August 27, 1900.)

The total trade during the year 1899 for this district, including Tamsui, Kelung and the four ports of Kiukong, Oulung, Tokaku and Lukong, shows an increase on that of 1898 of over 600,000*l*. Trade of the year.
General increase.

All the increase apparent is due to the trade of Tamsui and Kelung which has grown by nearly 800,000*l*., the difference being occasioned by the diminution in both imports and exports at the other ports mentioned.

A further decrease on the year 1898 has to be recorded in the export business, in which British merchants are chiefly concerned, notably in tea; and the camphor monopoly has now withdrawn that branch of export from all excepting the particular firms to whom the sale is granted. Further decrease of exports for British merchants.

As stated in last year's trade report for this district, the bulk of the profit in the general import trade still goes to the Chinese merchants; whilst doubts are expressed by the foreign merchant as to the prospects of a continued profit in the tea export trade, which is, after all, the principal reason for the majority for carrying on business in this district.

The total increase of imports for Tamsui and Kelung, in 1899, amounted in value to 523,853*l*., whilst the exports increased by 256,354*l*. The total imports and exports at the other four ports decreased by 64,709*l*. and 78,860*l*. respectively.

TABLE showing Comparative Value of Imports and Exports for North Formosa during the Year 1898-99.

			Value.			
			1898.	1899.	Increase.	Decrease.
			£	£	£	£
Imports—						
Tamsui	..	..	..	1,040,425		
Kelung	..	..	..	546,864		
			1,063,436	1,587,289	523,853	
Exports—						
Tamsui	..	..	..	786,765		
Kelung	..	..	..	223,334		
			753,745	1,010,099	256,354	
Other ports—						
Imports	..	..	178,583	113,774	..	64,809
Exports	..	..	185,825	113,340	..	72,485
Total	..	..	2,181,589	2,824,502	780,207	137,294

Imports
(Annex I).

Imports from foreign countries in general decreased during 1899, a fact due in great measure to the new customs tariff which came into force on January 1. Imports from Japan, on the other hand, through Kelung are gradually increasing at the expense of imports at Tamsui from foreign countries. This is specially noticeable in the year 1899 in sundry articles mentioned later under the heading of Kelung.

Opium.

Opium in 1899 was imported to the value of 294,930*l.*, as against 204,439*l.* in 1898, an increase in value of a little over 90,000*l.*, and in weight of 871 cwts., which, whilst taking into consideration the variations in exchange, would give an increase in the average value of opium imported of about 8 per cent. The importation of this article is a monopoly divided under Government contract between the Mitsui Bussan Kaisha, a Japanese commercial house and the British firm of Messrs. Samuel, Samuel and Co.

Statistics furnished by the Formosa Government show that there were at the beginning of the year 1900 over 140,000 licensed opium smokers in this island, being about 5.29 per cent. of the population—the largest numbers being in the northern and central prefectures of the country; whilst the value of prepared opium supplied to the licensed dealers by the Government during 1899 amounted to 447,524*l.*

Cotton goods.

The import of cotton goods shows signs of further dwindling away. Such trade as exists in these articles is now very trifling and is chiefly in the hands of Chinese merchants.

Grey and
white
shirtings.

Grey shirtings have fallen from 14,196*l.* to 8,266*l.*, whilst

white shirtings, though they have not diminished as much proportionately, have decreased in value by 9,577*l*.

The quantities of piece-goods and the like are indicated in the tables in square yards; the customs authorities, for the sake of convenience in calculating duties, having now adopted this method of recording the measurements.

The import of woollen goods calls for no particular comment. Woollens. The value of the whole trade in 1899 amounted to 15,760*l*., the largest item being 7,163*l*. for camlets and lastings.

A trifling decrease is apparent in the import of lead, which is Metals: imported in pig form and run into sheets locally for the packing Lead. of tea, &c. I am informed that the present tariff might possibly slightly favour the importation of lead ready prepared in sheets, as against that of lead in pigs, and that next year's customs statistics may show an import of the former for the packing of tea in particular.

Items for machinery, locomotive engines or parts of the same Machinery: and railway accessories of all sorts amounting to over 30,000*l*. Manufactured appear in the returns. They are of Japanese importation and are iron, &c. particularly noted here for the sake of future comparison in view of the construction of the Formosa railways now in progress, which will call for further and larger imports from abroad of similar materials during the current and subsequent years.

The amount of cement imported from foreign countries in 1899 Cement. was so small that it does not stand in the customs tables as a separate item. It appears that only some 750 casks of Green Island cement arrived here during the year from Hong-Kong, whilst other foreign brands were hardly, if at all, represented. On the other hand, over 12,000*l*. worth of cement was imported from Japan, nearly all through Kelung. Japanese cements were sold at such a low figure that it was impossible for any other cements to compete against them. If foreign firms, however—notably the Green Island Cement Company—are able, as reported, to considerably lower their rates, it is probable that, in view of the superiority of their manufacture, they will do a much larger business here in future.

The importation of flour, nearly all through Tamsui, showed a Flour. little improvement on 1898, and bears out the impression that it is a growing trade. By far the larger portion of the trade is, however, in Chinese hands, though, in one or two cases, foreign merchants in this district are, to a fair extent, interested in it.

The value of the import of kerosene oil has scarcely altered Kerosene. from last year. Of the 1,595,885 gallons imported in 1899, about 1,450,000 gallons, valued at 38,580*l*., passed through Tamsui, of which about 1,250,000 gallons were of the American "Comet" brand, the balance of 2,000,000 gallons consisting of Russian "Sun brand" oil. Importations of Langkat oil were not recorded, and no shipments of oil in bulk were received here during 1899.

There were also a few importations of kerosene oil into Kelung from Japan—some of which bore, amongst others, the

(673)

"Comet" mark. This oil was not, however, what it purported to be, as the "Comet" brand is the sole property of the Standard Oil Company of New York, and this mark as well as others have been registered by them in Japan. The oil proved to be of Japanese production put up in old kerosene tins bearing the names of various American oil companies, which had been used in sending camphor oil to Japan from Formosa and, no doubt, thanks to those marks, imposed for a time on the natives here to the detriment of the sale of the genuine article. The practice was, however, effectually stopped after official representations had been made.

The principal demand in North Formosa continues to be for oil put up in cases in preference to oil in bulk or in tins unprotected by outer wooden cases, and the "Comet" brand of oil still holds the first place in popular estimation.

With regard to the importation of bulk oil it is estimated that other things being equal it will be possible, by drawing off the oil into storage tanks from tank steamers—and putting it into tins and cases locally to sell at such a rate as to enter into competition very successfully with other case oil on the market.

Matches.

The import of matches is steadily increasing, especially in favour of those of Japanese manufacture, 9,875*l.* worth alone having come from Japan during 1899 to the ports of Kelung and Tamsui, whilst last year's (1898) import fell considerably under 6,000*l.* in value.

Pigs.

As anticipated the importation of pigs which come here, it may be said exclusively from China, has decreased in number by nearly one-half owing to the imposition of the new 10 per cent. customs duty, whereas they were formerly a duty-free article.

Poles and planks.

There is a marked expansion in the demand for timber of all sorts, but the import from foreign countries has not reaped the harvest which has fallen to the Japanese trade. The importation from Japan alone has risen to a value of over 52,000*l.* and promises to show no diminution.

Rice.

Of the item of 327,403*l.* for rice imported in 1899, which is in striking contrast to the figure for the preceding year; only some 50,000*l.* worth came from Japanese sources.

Refined sugar.

With regard to refined sugar, the total importation in 1899 was 33,038 cwts. valued at 22,468*l.*, as against 65,781 cwts. valued at 40,206*l.* in 1898. Although the demand for refined sugar in 1899 was not so large as in the former year, still the above figures cannot be compared the one against the other, as the importations of refined sugar in December, 1898, were abnormally large in anticipation of, and in order to avoid, the new duties which were announced to come into force on January 1, 1899; whilst the bulk of the importation during 1898 came into consumption during the year under review. The supply consequently did not require replenishing in such quantities as usually imported to meet the demand.

A little refined sugar was imported into Kelung from Japan, but only to a very limited extent.

Chinese goods:
Sundry.

Trade with the China coast shows variations as follows:—A

decrease appears in paper to a value of 9,920*l.*; from 31,652*l.* in 1898 to 21,732*l.* in 1899. Provisions of all kinds, with the exception of rice, have also decreased considerably. In fact, with the enhanced duties the source of supply shows a tendency to be shifted to Japan.

The foreign import trade of Kelung during 1899 only reached a total of 43,389*l.*, the largest items being for rice and pigs which, together, amounted to more than half that figure. Kelung:
Foreign trade.

The trade between Formosa and Japan finds its natural channel at present through Kelung, although some shipments are made viâ Tamsui. Its value is increasing to an extent which is worthy of notice, and will probably continue to increase owing to the protective nature of the duties on foreign goods in the new customs tariff. Indeed, amongst the Japanese, expectations are expressed that the greater balance of trade—and especially that of tea and camphor—will pass through Japan eventually. Trade with
Japan.

The imports of principal importance from Japan itself to Kelung, some of which have already been referred to under their separate headings, were timber and boards, 52,494*l.*; rice, 50,776*l.*; tobacco and cigarettes, 44,492*l.*; saké (Japanese spirituous liquor), 43,812*l.*; cotton cloth, 30,190*l.*; beer, 17,297*l.*; and cement, 12,106*l.* Besides these may be noted manufactures of metals, including machinery, 5,472*l.*; railway accessories, 10,498*l.*; and locomotive engines and parts of the same amounting to 5,419*l.* in value.

The total import and export trade of the four ports of Kiu-kong, Oulung, Tokaku, and Lukong for 1899 amounted in value to 227,114*l.*, the total of imports alone being 113,774*l.*, Tokaku heading the list with a trade worth 42,370*l.* Other ports.

The principal articles of import were of Chinese origin and were in value as follows:—Provisions, excepting rice, 26,847*l.*; Nankeen cloth and grass-cloth, 19,342*l.*; rice, 8,148*l.*; timber and boards, 7,439*l.*; and pigs, 6,698*l.*

The total export trade for this district has increased by over 250,000*l.* Exports.
(Annex II.)

The export of camphor and camphor oil increased largely, but the general camphor trade, that is the trade so far as the general trader is concerned, has ceased to exist since the monopoly in that article has been established. As already reported last year the foreign merchant had withdrawn entirely from the business before the monopoly was instituted owing to the insuperable difficulties connected with the working of the camphor stills in the interior. Although, or rather because, it is now under Government supervision with regard to the checking of waste in felling trees and in production generally, the industry is not conducted without a certain amount of danger which, no doubt, will diminish as time passes. Camphor.

The planting of young trees to make up deficiencies caused by consumption is carried on assiduously by the Camphor Control Offices of the Formosa Government, which is fully alive to the

importance of an article, the possession of which gives it such a strong hold over the camphor market.

A new Government refinery will be opened in 1900, it is stated, and will have capacity for a daily output of about 8,000 lbs. What has so far been refined is said to be of good quality, though it appears to be somewhat rich in oil.

The Formosa Government have courteously afforded me a report on the local camphor industry of which the following is a free rendering:—

Rumours of the establishment of the camphor monopoly regulations caused quotations at home and abroad to rise, even before they were put into force. Manufacturers started working in great haste, and persons otherwise employed threw up their business in order to engage in the production of camphor. Villages in the neighbourhood of these manufactories appeared for this reason to be in a thriving condition, some persons finding employment as brokers, others as transport agents, each striving after his own profit, without due appreciation of the limits to which the business could be carried.

The licensing of persons to engage in the camphor business was the first step, and obviously the main principle of the monopoly system; and, notwithstanding the difficulties involved, regulations to that end were enforced, under which illicit stills were destroyed and secret traffic stringently put down. In addition to which the production of any camphor, except that of recognised standards, was put an end to by the authorities, and, in fact, all details of the manufacture were brought into conformity with the regulations.

As a consequence of this, much suffering resulted to the natives and others who were interested in factories, directly or indirectly, but by degrees those who were thrown out of work found other employment.

For the proper ordering of the monopoly six Camphor Control Offices were established in the island at Taihoku, Shinchiku, and Bioritsu in the north, and at Taichiu, Riukiho, and Ratow in the middle and southern parts of the island, besides which a refinery was started in connection with the Taihoku office, in order to ensure uniformity of quality.

All the Control Offices, excepting Ratow, purchase the crude camphor and camphor oil, but that office itself engages in its production.

All the refining is done at Taihoku where it is made up into camphor of two classes, and transferred to the persons who have contracted for the sales. Camphor oil is packed at all the offices, and is there delivered to the contractors.

The total amount of camphor purchased from the licensed producers or manufactured between August 5, 1899, and March 31, 1900, was 20,437 cwts., and 15,535 cwts. of camphor oil.

When the monopoly was first brought into working order the authorities nominated 26 competitors for the sale of the camphor

under contract, for three years, at minimum prices in London, Hamburg, New York, and Hong-Kong. The successful tenderers were a British firm to whom in 1899 altogether over 700,000 catties (8,333 cwts.) of first and second class were transferred. The camphor oil contracts were taken up by Japanese merchants.

The production of crude camphor is strictly limited under license, but against the inconvenience caused by official supervision are to be reckoned the advantages of cash payments, saving of loss by long transport, and protection to life and property.

The Camphor Control Offices are in official connection with the Government police and district offices and obtain from them every support, the Government maintaining a staff of guards or rangers and supplying funds for keeping up friendly relations with the savages.

The report goes on to say that hitherto Formosan camphor was losing its good name in foreign markets owing to crude methods of production, but that the monopoly has done away with all these disabilities, inferior qualities having been got rid of, and more attention paid to the superior grades. As a proof of this the following table is given showing the amount of camphor produced under three grades, month by month, from August, 1899, to March, 1900. The figures are in catties, 1 catty being 1·3 lbs., nearly :—

Month.	Quantity.		
	1st Class.	2nd Class.	3rd Class.
	Catties.	Catties.	Catties.
1899.			
August	16,364	29,686	3,374
September	38,404	50,892	15,635
October	95,075	116,638	21,820
November	156,722	103,856	21,807
December	147,597	100,223	14,934
1900.			
January	171,165	88,218	16,250
February	126,802	52,656	6,207
March	241,098	74,819	7,925
Total	993,227	616,988	106,464

Figures supplied by one of the leading merchants here give the total export of teas for the season 1899-1900 as about 410,350 half-chests, as against 424,271 half-chests for the previous season. Of the 410,350 half-chests, 377,843 half-chests were shipped by foreign buyers via Amoy, the balance of 32,502 half-chests

having been shipped to Kobe, Japan, direct via Tamsui or Kelung.

The quality of the first arrivals of tea in Twatutia—the centre of the Formosa tea trade—was disappointing, but latterly the true spring and early summer leaf showed a marked improvement. Buying commenced in Tamsui (Twatutia) early in May, and the bulk of early arrivals from the country was taken up by buyers in Formosa.

Summer teas marketed in June were, as usual, desirable, showing much superiority over the earlier pickings. The better grades, however, were only in moderate supply, and this continued to be the case throughout the season.

During May, June, July, and August, 1899, buying was entirely confined to the foreign buyers in Formosa, foreign buyers in Amoy having done practically nothing until September, when stocks of Formosa oolongs in Chinese hands had accumulated to about 110,000 half-chests. The market in Amoy opened about this time at about equivalent rates to those ruling in Tamsui.

In August a preferential duty of 60 sen per picul (133·3 lbs.) was imposed by the Formosa Government on teas shipped to foreign countries as against teas shipped to Japan. In the one case it was called a customs duty and in the other by a word signifying port exit or clearance duties, but the result was the same, and had the very apparent object of encouraging the direct export to Japan to the detriment of the Amoy tea trade. Strong protests against the preferential nature of the duty or charges were made by the Amoy and Tamsui Chambers of Commerce, with the support of the Chamber of Commerce of Hong-Kong, but the charges and duties are still in force.

The tea season of 1899–1900 has, as a whole, been a bad one for Chinese interested in the trade, more especially for those who shipped to Amoy where (in March) they still held a stock of some 20,000 half-chests of Formosa oolongs unsold.

Early shipments to America suffered a heavy loss owing to prices paid in this district being above the equivalent of prices ruling in the States; but later shipments showed some profit. The demand in the States was for “tea for price” as in the previous season. Export, moreover, to the States was somewhat curtailed, as no teas below a certain standard are now admitted.

In London the market for Formosa oolongs was a poor one throughout, and shipments to that market are now on a greatly reduced scale to what they were in former years, although the demand was never, at any time, a large one.

Up to the present there has been, so far as one can ascertain, only one Japanese firm engaged in the export of Formosa teas via Kelung and Japan to America, and that firm has, it appears, lately decided to withdraw from the business. Its exports, during the season, amounted to some 7,000 half-chests. To a limited extent, Japanese have, in connection with Chinese, bought Formosa oolongs for sale in this market and for shipment to the coast of China.

The general impression seems to be that the buying market will locate itself more and more in Formosa, and that less tea will go forward to Amoy on Chinese account every year until such shipments cease altogether. It is also anticipated that, although for some years still, some teas may go forward to Amoy for shipment to America, the direct export via Japan will go on increasing annually, until finally, at no very distant date, Amoy will altogether cease to be a factor in the tea trade of Formosa.

The export of hemp from this district has not fulfilled the ^{Hemp.} expectation of last year, having decreased considerably. The total export amounted in value to 21,134*l.*, whilst that for Tamsui and Kelung amounted to only 4,600*l.*, almost entirely from Tamsui.

18,112 tons of coal, valued at 7,953*l.*, were exported from the ^{Coal.} two ports of Tamsui and Kelung, chiefly from the latter, and, although still a small export, it is again more than double that of the preceding year.

The total export trade of Kelung amounted to 223,334*l.*, of ^{Kelung:} which 214,467*l.* worth went to Japan. The most important articles ^{Export trade.} of export in that direction were camphor oil, 114,349*l.*; Oolong tea, 47,967*l.*; and camphor, 32,863*l.*

The exports from Kiukong, Oulung, Tokaku, and Lukong ^{Other ports.} amounted in all to 113,340*l.* being almost the same figure as the imports. The principal articles exported were rice, 85,578*l.*; and flax, hemp, jute, &c., 16,477*l.* Tokaku again showing the largest total with 64,278*l.* for exports.

A comparative table is given, for the sake of reference, at the end of this report, showing the amounts of imports and exports, to and from the different ports, under the headings of foreign and Japanese trade. Although some of the exportation to Japan finally reaches foreign countries, and much of the foreign trade to and from Tamsui is carried in Japanese ships, it is interesting to note the totals for Kelung-Japan as an indication of how much of the trade is carried in Japanese bottoms without any competition on the part of foreign vessels. ^{Comparison between trade with Japan and that with foreign countries. (Annex III.)}

Annex IV gives a tabulated return of foreign-going ships ^{Shipping. (Annex IV.)} entered and cleared at Tamsui and Kelung during 1899. The number of British ships entered has increased by two on the total for 1898. In addition to these, 9 German and 2 Norwegian steamers, besides 42 Japanese steamers called at these ports.

A large number of Chinese junks are included in the table, but amongst these are counted many engaged in the coasting trade also, it being impossible to separate them.

The 42 Japanese steamers include the two fortnightly steamers of the Osaka Shosen Kaisha, which ply regularly between Hong-Kong and Tamsui via Chinese coast ports. The competition between that line and that of the Douglas Steamship Company, the only other regular line visiting this harbour, continued steadily, and it is to be regretted that some arrangement was not made between the rival companies, which might have eased the stringency of the competition.

The Japanese Company is in receipt of heavy subsidies and will probably be in a position early next year to put two more steamers on the line, including direct communication between Tamsui and Foochow.

A regular semi-monthly service was maintained, under special contract with the Formosa Government in 1899 between Kobe and Kelung via Shimonoseki, by two ships of the Nippon Yusen Kaisha, with a total tonnage of 4,778 tons, in addition to which two vessels of the Osaka Shosen Kaisha, with a total tonnage of 6,807 tons also ply regularly between the ports mentioned.

General
remarks.
River
frontage
improvements
at Twatutia.

Towards the end of the year the much-needed work of "bunding" the river frontage at Twatutia was undertaken under Government contract, and has now been successfully completed. By its means much security has been obtained for boats and for longshore property in times of flood, and a shore line of uniform level provided for unloading cargo, and for the carriage of goods by land along the river side. The roadway is four feet above high water mark, and the retaining wall being faced with good, dressed stonework throughout at proper angles of incline, there is small probability of its being undermined or breached under any circumstances.

The section now finished is situated at that part of the river-side below the foreign business quarter, extending for a total length of 900 yards with landing steps, stone bollards and mooring rings at intervals. The roadway averages 12 feet in width, but this width is not constant owing to want of uniformity in the frontage of the buildings. 700 men including divers, stonemasons and others were employed on the works, the more expert labour being supplied by Japanese, whilst all the pile-driving machinery, diving apparatus, &c., were imported from Japan. It took some seven months to complete this section, and the intention is, when opportunity offers, to continue the work up to and beyond that part of the river bank where the Consulates and principal business houses are situated.

At Tamsui.

As one of the results of the survey of the harbour of Tamsui, the customs are planning a reclamation of the foreshore on a large scale, with retaining walls of faced stone, and a frontage when complete of about half-a-mile. A few sections of the reclamation have been well pushed forward, and it is to be hoped that the trade of the port will increase to such an extent as to give a good return on the very extensive outlay contemplated. So far the soil for filling-in has been obtained from the bluff backing the lower town, but it is a question whether it would not have been an economy to have employed a dredger to deepen the river channel and fill in the foreshore simultaneously.

In connection with the question of reclamation both at Tamsui and Kelung the matter of foreshore rights under titles of perpetual lease is still under consideration by the authorities. In nearly every case where foreigners hold titles of perpetual lease to riparian lots, these leases include rights down to low

water mark, and a compromise of some sort will have to be effected.

But little has been done to improve means of communication ^{River traffic.} between Tamsui and Twatutia. For the sailing "cargo-boats," which are well suited to general needs for the carriage of cargo between Twatutia and steamers in Tamsui harbour, the general supervision of their carrying capacity, stability and the like is all that can be expected; but, although the passenger steam-launches are now said to be under control, both with regard to the numbers of passengers and the survey of engines and boilers, the utter discomfort by crowding and the general feeling of insecurity remain unaltered. It is a curious fact also that fares remain unchanged, although the number of passengers to each launch is stated to have been limited.

The Osaka Shosen Kaisha have built at Twatutia, with engines ^{Flat-bottomed} from the Osaka Ironworks, a flat-bottomed paddle-wheel steamboat ^{steamboat} which plies twice a day between Tamsui and Twatutia nominally ^{launched.} at all stages of the tide. The advertised times, however, are not kept to exactly, and she sometimes runs aground. She draws 2½ feet and can carry 15 first-class and 135 third-class passengers, and with all its shortcomings the venture is a step in the right direction.

It is hoped that by the time the next report on the trade of ^{Railways:} this district goes forward, a railway line between this port and ^{Tamsui-} Twatutia will have been opened. It will be about 13 miles ^{Twatutia.} in length, and as with the exception of one short tunnel and a bridge of no great length, the engineering difficulties are unimportant, there is no reason to doubt but that it will soon be in working order. The Tamsui terminus will be at that extremity of the town furthest from the wharfs and customs inspection sheds, but it is intended to connect them with it ultimately. The material used for this line will be that of the main line south of Twatutia, which will be available on the completion of the new line of railway now under construction there.

Although the Tamsui-Twatutia line will no doubt be a considerable convenience to traffic, it is scarcely to be anticipated that the full benefit of it will be reaped until the Southern trunk line is pushed well forward—and it forms a continuous link with communications to all the interior of the island.

The whole grant for the construction or relaying of the grand ^{Main trunk} trunk railway and branches between Taihoku and Takow in the ^{line.} south is 28,000,000 yen (say 3,060,000*l.*) and the whole system will, it is said, be completed by the year 1908. The section between Taihoku and Shinchiku (Tekcham), about 40 miles in length has been surveyed afresh, and, for the first part of its course will lie a few miles to the east and south of the present line, thus avoiding the broad channel formed by the junction of two rivers at Twatutia, where the old wooden railway bridge stood until destroyed by floods in 1898, and crossing the rivers separately some distance above the junction. The re-opening of railway communication across the river will be of enormous advantage to all descriptions of traffic.

The Taihoku-Shinchiku section as well as the Tamsui branch are to be finished next year, as well as such alterations as are necessary between Taihoku and Kelung, so that about 76 miles of railway in the northern district will soon be available for through services.

The present number of locomotives in hand is 15, with 26 passenger cars, 3 mail carriages, and 103 freight waggons. This number will be increased by next year to 22 locomotives, 41 passenger cars, 6 mail carriages and 137 freight waggons.

The line will be a 3 feet 6 inch gauge. The cost of the central portion of the main line to the south is estimated to reach a sum per mile of nearly 25,000*l.*, owing to the heavy engineering difficulties to be overcome. Other sections to the north and south will average under 10,000*l.*, whilst the Tamsui section will cost only about 3,300*l.* per mile.

A considerable amount of bridgework will be necessary, and besides those contracts for all kinds of railway material which have already been placed in Europe and America, large tenders will, it is stated, be invited for further supplies in September, 1900.

Proper
addresses of
Formosa
Consulates.

Correspondents addressing communications to Consulates in Formosa should note that Taiwan is the Japanese name for this island. Letters, if intended for the Consulate at Tainan, should be addressed via Anping, Formosa, or, owing to confusion of names, they are otherwise most frequently delivered at Tamsui and are greatly delayed thereby. Also, to the address "Tamsui" the word "Formosa" should be added, not "China." Official letters should be addressed to "H.B.M. Consul," not by name. Otherwise, when the Consul happens to be absent, or to have been transferred elsewhere, they are often redirected and forwarded and much time is lost in consequence.

**Annex I.—RETURN of Principal Articles of Import into Tamsui
and Kelung during the Years 1898-99.**

Articles.		1898.		1899.	
		Quantity.	Value. £	Quantity.	Value. £
Opium—					
Banaras	Cwts. ...	748	44,650	12	786
Persian	" ...	2,723	156,510	4,321	280,140
Other kinds	" ...	62	3,279	71	4,004
Cotton goods—					
Gray shirtings	Sq. yards ...	...	14,196	1,047,820	8,266
White shirtings ... ..	" ...	...	25,762	1,437,132	16,178
T-cloths ... ..	" ...	...	393	9,919	81
Yarn	Lbs. ...	...	2,842	4,276	302
Other goods ... ..	" ...	...	21,743	...	21,071
Woollen goods—					
Camlets	Sq. yards ...	...	5,284	300,333	7,163
Lastings ... ..	" ...	...	1,676		
Long ellis ... ..	" ...	...	942		
Yarn	Lbs. ...	...	559	15,469	1,535
Other goods ... ..	" ...	...	970	...	5,627
Metals—					
Machinery ... ..	" ...	...	...	...	5,472
Locomotive engines and parts thereof ... ..	" ...	...	...	...	5,419
Railway accessories ... ..	" ...	...	...	...	10,498
Iron, manufactured	Cwts. ...	8,672	3,983	...	8,670
Lead ... ..	" ...	...	10,473	12,973	10,440
Sundries—					
Beer	Dozen ...	39,120	8,375	...	17,297
Flour	Cwts. ...	50,904	22,884	56,926	24,147
Ginseng	Lbs. ...	...	7,221	9,211	4,817
Grass-cloth	Sq. yards ...	...	10,076	258,923	5,706
Kerosene oil—					
American	Gallons ...	1,423,045	27,824	1,220,035	32,813
Russian	" ...	550,615	7,884	230,010	5,771
Other kinds	" ...	393,840	7,122	145,840	4,253
Matches*	Gross ...	189,500	6,371	...	9,875
Paper, Chinese ... ..	" ...	...	31,652	...	23,944
Pigs	Head ...	97,200	82,433	48,407	63,483
Timber, poles and planks	" ...	...	43,951	...	35,481
Provisions of various kinds ... ..	" ...	...	76,702	...	26,358
Rice	Cwts. ...	292,039	86,608	...	319,765
Silk tissues ... ..	" ...	...	18,639	...	5,638
Refined sugar	Cwts. ...	66,781	40,206	33,038	22,468
Tea boxes ... ..	" ...	...	8,615	...	8,946
Tobacco	Cwts. ...	11,323	43,865	...	...
" and cigarettes ... ..	" ...	...	...	...	60,896
Miscellaneous ... ..	" ...	...	239,888	...	471,426
Total ... ..	...	...	1,063,436	...	1,587,289

* Japanese only in 1899.

**Annex II.—RETURN of Principal Articles of Export from Tamsui
and Kelung during the Years 1898-99.**

Articles.		1898.		1899.	
		Quantity.	Value. £	Quantity.	Value. £
Campher	Cwts. ...	26,144	82,292	...	213,874
" oil (to Japan only)	" ...	...	...	...	114,349
Coal	Tons ...	7,772	3,016	18,112	7,953
Tea—					
Oolong	Lbs ...	17,422,631	569,684	...	549,834
Pouchong	" ...	2,704,185	52,673	2,918,277	60,812
Hemp, jute, and hemp skins	Cwts ...	...	7,393	...	4,601
Rice	" ...	8,612	2,708	...	3,260
Miscellaneous ... ..	" ...	...	25,979	...	55,416
Total ... ..	...	...	753,745	...	1,010,099

Annex III.—COMPARATIVE Table of Imports and Exports at
Tamsui and Kelung from and to Japan and Foreign
Countries during the Year 1899.

				Value.		
				Imports.	Exports.	Total.
				£	£	£
Foreign—						
Tamsui	..	..	..	1,021,990	780,281	1,802,271
Kelung	..	..	..	4,339	8,866	13,205
Total	..	..	..	1,026,329	789,147	1,815,476
Japan—						
Tamsui	..	..	..	18,485	6,485	24,920
Kelung	..	..	..	542,525	214,467	756,992
Total	..	..	..	560,600	220,952	781,912
Total foreign and Japan				1,587,289	1,010,099	2,597,388

Annex IV.—RETURN of all Shipping Engaged in Foreign Trade at
the Ports of Tamsui and Kelung during the Year 1899.

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British ...	100	77,752	...	...	100	77,752
German ...	9	5,688	...	...	9	5,688
Norwegian ...	2	1,420	...	...	2	1,420
Japanese ...	42	29,685	...	...	42	29,685
Chinese junks ...	...	...	776	22,392	776	22,392

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British ...	100	77,859	...	...	100	77,859
German ...	9	5,688	...	...	9	5,688
Norwegian ...	2	1,420	2	1,420
Japanese ...	41	30,670	41	30,670
Chinese junks	770	22,719	770	22,719

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DIPLOMATIC AND CONSULAR REPORTS.

JAPAN.

REPORT FOR THE YEAR 1900

ON THE

TRADE OF NORTH FORMOSA.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 2525.

*Presented to both Houses of Parliament by Command of His Majesty,
NOVEMBER, 1901.*

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Reference to previous Report, Annual Series No. 2525.

Report on the Trade of North Formosa for the Year 1900

By MR. ACTING-CONSUL WAWN.

(Received at Foreign Office, November 6, 1901.)

The total trade for the year 1900 for this district, including Trade of the year.
Tamsui and Kelung with the four ports of Kiukong, Oulung, Tokaku, and Lukong, shows an increase of nearly 200,000*l.* over that of 1899, and an increase of more than 800,000*l.* over that of 1898. The trade of Tamsui and Kelung together has increased by 128,590*l.*, and that of the other four ports by 65,991*l.*

The trade of Tamsui, both import and export, has slightly decreased while that of Kelung shows an increase. In the case of Tamsui and Kelung taken together imports have increased and exports diminished, whilst the contrary is the case with the other four ports.

Imports are responsible for more than two-thirds of the total increase of the trade of this district. The export business from Tamsui in which foreign merchants are chiefly interested again shows a decrease this year of more than 10 per cent.

TABLE showing comparative Value of Imports and Exports for North Formosa during the Years 1899-1900.

			Value.			
			1899.	1900.	Increase.	Decrease.
			£	£	£	£
Imports—						
Tamsui	..	..	1,040,425	965,185	..	75,240
Kelung	..	..	546,864	772,860	225,996	..
			1,587,289	1,738,045	150,756	..
Exports—						
Tamsui	..	..	786,765	707,584	..	79,181
Kelung	..	..	223,334	280,949	57,015	..
			1,010,099	987,933	..	22,166
Other ports—						
Imports	..	..	113,774	98,594	..	15,180
Exports	..	..	113,340	194,511	81,171	..
Total	..	..	2,824,502	3,019,083	194,581	..

Imports
(Annex I).

Imports from foreign countries in general decreased during 1900 to the extent of 7,477*l.* only. Imports from Japan again show an increase this year of more than 150,000*l.*

Opium.

Opium in 1900 was imported to the value of 360,464*l.*, an increase over 1899 of more than 65,000*l.* In 1899 the import was almost entirely from Persia, but in 1900 562 cwts., valued at 47,927*l.*, came from Benares, as against only 12 cwts., valued at 786*l.*, in 1899. A small amount is also imported from China. The price is always changing, and in a few years only it fluctuates to the extent of several hundred yen per picul.

The profit from the opium monopoly realised by the Government during the financial year ended March 30, 1900, was about 94,000*l.*

The imported opium is manufactured at the Government factory at Taipeh, after which it is distributed to the various local Government offices throughout the island. Thence it is sent to agents who, in their turn, supply the dealers. Opium is sold to the consumers as first, second, or third class as manufactured by the Government, and it is forbidden to mix two classes or to adulterate the opium. The retail price is not in any way fixed by the Government.

During the year 1900 opium to the value of nearly 450,000*l.* was supplied to the dealers in the different districts.

At the end of December, 1900, there were 165,752 licensed opium smokers in the island, 152,950 of whom were male and 12,802 female, giving a percentage of 6.18 of the total population as against a percentage of 5.29 in the year 1899. Persons licensed to engage in the opium business numbered 3,028, and there were 648 cases of infringement of the opium law during 1900.

Kerosene.

The imports of kerosene oil during 1900 was more than double that of 1899, 85,864*l.*, as against 38,584*l.*

American oil was imported to the extent of 1,918,035 gallons, and Russian oil to the extent of 597,750 gallons. Of the latter amount 369,700 gallons were imported in bulk. 117,305 gallons of Japanese oil were also taken, giving a total import of 1,918,035 gallons, of which, however, 55,400 gallons were re-exported. No Langkat oil was imported during 1900.

The favourite brand was, as usual, the American "Comet," which always commands a better price than other illuminating oils.

The "Shell" Transport and Trading Company are erecting a tank at their installation at Tamsui capable of containing 440,000 gallons of oil, which will be imported in bulk from their own refinery at Kôtei, North Borneo.

Cotton goods.

The trade in cotton goods, which is chiefly in the hands of Chinese merchants, appears to be improving.

Grey shirtings have increased from 8,266*l.* in 1899 to 12,996*l.* in 1900, and white shirtings have increased from 16,175*l.* in 1899 to 24,471*l.* in 1900, both of which totals are, however, slightly smaller than those for 1898.

Nankeen cloths and cotton sateens figure for the first time in the table.

Piece-goods, cotton and woollen, show an increase of 4,111*l.* **Piece-goods.** over the figures for 1899. The whole of this import comes from Japan.

The import of camlets and lastings for 1900 was valued at 7,529*l.*, an increase of only 366*l.* **Woollen goods.**

The import of lead, all of which came to Tamsui, shows an increase of 1,266*l.* over the figures for 1899. **Metals.**

Other metals were imported from Japan viâ Kelung to the extent of 13,967*l.* This item did not appear in the table for 1899.

Machinery to the value of 14,657*l.* was imported, nearly trebling the import for 1899. On the other hand, locomotive engines and parts showed a decrease of 4,778*l.* The import of railway materials increased from 10,498*l.* in 1899 to 28,611*l.* in 1900. Both machinery and railway materials came viâ Japan. This import of railway materials should increase still more in future years, as the various lines of railway now projected come to be actually constructed. **Machinery and railway materials.**

Fish was imported to the value of 28,583*l.*, chiefly from Japan, although a fair amount came from China. **Provisions.**

Vermicelli, 6,565*l.*, appears for the first time in the table. It was chiefly imported through Tamsui.

The dried, salt, and tinned provisions all came from Japan viâ Kelung.

The import of rice shows a remarkable diminution, only 71,611*l.* being taken in 1900 as against 319,755*l.* in 1899. This striking decrease in the import for 1900 is explained by the fact that the Formosan rice crop for that year was a good one, whereas in 1899 the crop was very bad and it became necessary to make large importations from China. Of the total import of 71,611*l.*, more than 50,000*l.* worth came from Japan to be consumed by the Japanese residents in Formosa. Only the poorest Japanese eat Chinese rice, which they characterise as "dirty." **Rice.**

Beans appear in the tables for the first time. About 4,000*l.* worth came from Japan, the rest from China, the total import being valued at 17,552*l.* **Beans.**

The import of cement during the year 1900 was valued at 23,339*l.*, all of which came from Japan. I am informed, however, that the Japanese are now beginning to take more of the Green Island Cement Company's production, it being much superior to the Japanese-made article, and the price of the foreign company's cement having been reduced till it is almost as low as the Japanese. **Cement.**

The import trade in flour is slowly and steadily increasing, the value for 1900 being 27,031*l.*, as against 24,147*l.* for 1899, and 22,864*l.* for 1898. **Flour.**

The import of matches again shows an increase, this year of more than 60 per cent. The whole import comes from Japan. **Matches.**

Pigs again show a decrease, the value of the import in 1900 being 58,463*l.*, as against 63,483*l.* in 1899. **Pigs.**

The import of refined sugar shows an increase of 30,257*l.* in

(912)

1900, as against 22,468*l.* in 1899. A steady business was done throughout the year, the principal demand being for medium grades. All of this import came from foreign countries almost entirely viâ Tamsui, only about 25*l.* worth coming through Kelung.

Timber. The import for 1900 of timber, planks, and poles shows an increase of more than 50,000*l.* over the figures for 1899, most of the import coming from Japan viâ Kelung.

Tobacco. In 1900 the value of the import of tobacco, cigarettes, &c., amounted to 53,217*l.* as against 60,896*l.* in 1899. Nearly all of this came from Japan viâ Kelung, and the trade is almost entirely in Japanese hands.

Kelung. The import trade of Kelung increased from 546,864*l.* in 1899 to 772,860*l.* in 1900. Of the total, imports from foreign countries contributed 80,474*l.* in 1900, as against only 4,339*l.* in 1899. The largest items in the foreign import for 1900 were pigs, 11,586*l.*; rice, 6,229*l.*; timber, 4,386*l.*; and Chinese paper, 3,137*l.*

Imports. The total imports from Japan amounted to 692,386*l.*, an increase of nearly 50,000*l.* The chief items were timber, 85,653*l.*; rice, 53,805*l.*; tobacco, 51,306*l.*; saké (Japanese spirituous liquor), 50,978*l.*; piece-goods, 30,753*l.*; railway materials, 28,611*l.*; cement, 22,757*l.*; and beer, 19,157*l.* Other articles worthy of mention are: machinery, 14,657*l.*; matches, 14,540*l.*; and metals, 13,898*l.*

As predicted, the value of the trade between Formosa and Japan viâ Kelung is increasing steadily, and there seems no reason to doubt but that it will continue to do so in the future.

Other ports. The total import trade of the four ports of Kiukong, Oulung, Tokaku, and Lukong for 1900 amounted to 98,594*l.*, showing a decrease of little more than 15,000*l.* when compared with last year's figures. The trade of Lukong is the largest, being more than four times that of Oulung, the smallest.

The import of rice totally disappears, the chief import for 1900 being naukeen and grass cloth, 29,803*l.*; joss paper, 14,281*l.*; timber, 5,125*l.*; and kerosene oil, 5,069*l.* Pigs dropped from 6,698*l.* in 1899 to 1,238*l.* in 1900.

Exports (Annex II). The total export trade of 1900 for the whole district amounted to 1,182,444*l.*, giving an increase of nearly 60,000*l.* over 1899, whilst the exports for Tamsui and Kelung alone showed a decrease of over 22,000*l.*, as compared with the figures for 1899.

Camphor. The value of camphor exported in 1900 was 253,574*l.*, an increase of nearly 40,000*l.* over 1899, whilst there was a decrease of nearly 20,000*l.* in the value of the oil exported during the same period. Nearly half of the camphor export went to Japan, as did the whole of the camphor oil.

The trade in this article is a Government monopoly, and I am indebted to the Formosa Government for the following particulars:—

The amount and value of the camphor and camphor oil bought by the Government during 1900 was as follows:—

				Quantity.	Value.
				Catties.	£
Camphor—					
1st class ..	..	..	..	2,608,983	77,089
2nd class ..	..	..	..	701,158	18,896
3rd class ..	..	..	..	168,038	4,073
Total ..	..	..	..	3,478,179	99,858
Camphor oil ..	..	..	..	2,362,108	34,591
Grand total ..	..	..	..	5,840,287	134,449

The amount and value of prepared camphor and oil sold by the Government during 1900 was as follows:—

				Quantity.	Value.
				Catties.	£
Camphor—					
Class A ..	..	..	..	1,007,800	101,725
" B ..	..	..	..	2,677,700	241,830
Camphor oil ..	..	..	..	1,227,694	48,103
Total ..	..	..	..	4,913,194	391,658

The figures for refined camphor were not obtainable, but I am informed that the amount was not large.

The camphor trees of Formosa are mostly trees which are old and do not produce seeds, and even when such as do produce seeds are found, they are so remote in the savage districts that it has been impossible to make use of them. Consequently the seeds which have been used for plantation have mostly been brought from Kiushiu and Shikoku in Japan. The time for sowing is in spring and autumn.

The Government has shown great energy in establishing plantations, the first being made in 1896. When the camphor monopoly was established in 1899, fresh plantations were made, and in addition to the main plantation, there are now two plantations in Taihoku prefecture, four in Taichu, one in Tainan, and one in the district of Gilan.

The cultivation of camphor trees has lately been attended with very successful results, the number of young trees suitable for transplantation reaching more than 1,000,000.

The camphor refinery at Taihoku is capable of turning out 1,800 lbs. of refined camphor and 5,800 catties of Class A camphor per day. There are four officials in charge of the refinery assisted by 23 Japanese operatives, of whom 14 are male and nine female, and 45 Chinese operatives, of whom 36 are male and nine female. Most of the machinery used was made in Japan.

There is a branch office of the camphor bureau at Kobe, to which a refinery is also attached. There are three officials in

charge, with 38 male operatives and 21 females. This factory is capable of turning out 1,000 lbs. of refined camphor and 2,000 cabbies of Class A camphor per day.

Tea.

The total export of Oolong tea for the season 1900-01 amounted to about 398,000 half chests, as against 410,350 half-chests for the previous season. Of the total export, 359,000 half-chests were shipped viâ Amoy, and 39,000 half-chests, viâ Kobe, for shipment to the United States.

The spring crop was of fair average cup quality, the appearance of the leaf being decidedly better than that of last year. Buying commenced in Twatutia about the middle of May.

Summer teas, marketed in June, were the most desirable of the season, having greater body and strength than the other crops.

Throughout the season buying was almost entirely confined to the market in Twatutia, only some 30,000 half-chests having gone forward to the Amoy market on Chinese account.

As regards the shipment of tea, the bulk as usual went forward to Amoy for transshipment, thence to the United States and London. The latter market takes but little of Formosa Oolongs, say roughly from 15,000 to 20,000 half-chests, the whole of the balance going to America. Practically only one foreign firm shipped viâ Japan, Amoy is the shorter route for Suez steamers, by which most of the teas go forward, and nearly all the foreign firms have their headquarters there.

The past season is likely to prove unsatisfactory to foreign exporters in spite of the fact that country growers had to accept much lower prices than have obtained for some seasons past.

Early shipments to the United States paid fairly well, and prices were steady for a while. Later there was a drop in prices which have never again advanced, the tendency being for still lower prices. Heavy losses have been made on all teas with the exception of the lowest qualities, and these are not likely to do more than return a new dollar for an old one, if even that. The general demand in America runs almost entirely on teas of price.

A feature that tended to affect prices adversely was the export from Amoy at the end of the season of some 20,000 half-chests of old Formosa Oolongs held over from the season of 1899-1900.

Owing, at one time, to the fairly satisfactory state of statistics of Formosa Oolongs in the United States, there seemed some prospect that prices would advance. This promise has not been fulfilled, and there are large unsold stocks in America which are likely to show an unsatisfactory result to shippers.

In the United States the censorship as regards teas, being up to the Government standard, is very strict, and inferior teas have to be shipped away again and disposed of elsewhere. The rejections of teas of the 1900-01 season have been very small, but there were large rejections of teas of the 1899-1900 season, some of which were shipped during the season 1900-01.

The past season is likely to prove unsatisfactory to both foreigners and natives.

Doleful prognostications as to the future of the tea trade are rife on all sides, and foreign merchants have yet to learn that their best policy is united action. Last year the market here was "boomed" by two firms, with the result that prices were for some time abnormally high, and the only persons who benefited by the state of affairs were the growers.

The chief cause of the bad outlook in the tea trade is the increasing production of, and demand for, Ceylon teas. Not only are Ceylon and India nearer the consuming markets, but no export duty is levied on their teas, whereas merchants in Formosa have to pay duty on tea shipped viâ Amoy.

The export of Pouchong tea shows an increase of a little more than 10 per cent. over the figures for 1899.

The export of hemp, flax, and jute shows an increase of Hemp. 1,331%. over 1899. Nearly all the export went to foreign countries, chiefly from Tamsui.

The export of coal amounted to 22,996 tons, at a value Coal. of 10,187%, an increase of more than 2,000% over the figures for 1899. Most of this was sent abroad viâ Kelung.

The export of hides (water buffalo skins) appears for the first Hides. time in the table. The whole export goes to Japan.

The total export trade of Kelung amounted to 280,349%, an Kelung increase of nearly 60,000% over the figures for 1899. Of this export trade. total, 267,453% went to Japan, only 12,896% going to foreign countries.

The chief foreign export from Kelung was coal, which accounted for more than half of the total foreign export.

The chief exports to Japan were camphor, 106,350%; camphor oil, 88,029%; and Oolong tea, 49,700%. Then comes a large drop, the next item being hides, only a little over 5,000%.

The exports from Kiukong, Oulung, Tokaku, and Lukong Other ports. amounted in all to 194,511%, an increase of more than 80,000% over last year. The principal exports were rice, 166,417%, almost double that of last year, and flax, hemp, and jute 17,465%. Tokaku again showed the largest total with 116,035%.

A comparative table is given at the end of this report showing Comparison the amounts of imports and exports to and from the different between ports under the headings of foreign and Japanese trade. On trade with Japan and comparing this table with that for 1899, it is interesting to note that with the increase of nearly 27 per cent. in the trade with Japan viâ foreign Kelung, and the decrease of more than 10 per cent. in the trade countries (Annex III). with foreign countries viâ Tamsui.

Annex IV gives a tabulated return of foreign-going ships Shipping entered and cleared at Tamsui and Kelung during 1900. (Annex IV).

British shipping shows a remarkable decrease, only 56 vessels entering in 1900, as against 100 in 1899. Japanese shipping has slightly increased, 57 vessels in 1900, against 42 in 1899. Only one German vessel entered during 1900, as against nine in 1899.

The decrease in British shipping is owing to the withdrawal of the regular service of steamers run by the Douglas Steamship

Company, which found it impossible to compete successfully against the heavily subsidised Osaka Shosen Kaisha. Up to June, 1900, three Douglas steamers were on the run, but two were taken off at the end of that month, and only 51 Douglas steamers entered in 1900, as against 95 in 1899. It is a pity that some arrangement could not have been made between the rival companies; competition lowered freights to such an extent that the Douglas steamers made very little if any profit by the run, and I doubt whether the Japanese steamers would be able to keep up the service, were it not for the subsidy which they receive from the Government.

The Douglas steamers now run at irregular intervals, but always succeed in obtaining very good cargoes, especially during the tea season. It is extremely probable that during last year the 51 Douglas steamers carried a good deal more cargo than the 57 Japanese steamers, but it is to be feared that the returns for 1901 will show a still further decrease in British shipping.

During the year 1900 169 steamers from Japan entered at Kelung and 12 at Tamsui.

The carrying trade between Japan and Formosa is entirely in Japanese hands. The following are the regular services between Japan and Kelung:—

The Japan Mail Steamship Company runs one subsidised steamer twice a month from Kobe via Moji, and at times runs a second steamer, also twice a month, by the same route; the Osaka Shosen Kaisha runs a steamer fortnightly from Kobe via Moji; also a steamer every 10 days from Kobe via Ujina, Moji, and Nagasaki, and a steamer every 20 days from Kobe via Kagoshima and the Loochoo Islands. This last line continues from Kelung to the Pescadores, Anping, and Takow. All these lines are more or less subsidised, as are also the lines running round the island, owned by the Osaka Shosen Kaisha. One steamer leaves Kelung every 10 days going by the east coast, and one every 10 days going by the west coast. Eight days are occupied in making the circuit, and the ports of call include Sowu, Kwarenko, Penan (or Taito), Nanwan, Shajo, Takow, Anping, the Pescadores and Tokaku.

General
remarks.
Twatutia
Bund.

The Bund at Twatutia has now been completed, and the question of extending it still further up river to the suburb of Banca is under consideration.

The total length is about 1,900 yards, and 329 days were occupied in construction. The cost was a little over 18,500%.

River traffic.

Seven Chinese launches, carrying passengers and occasionally a little cargo, run between Tamsui and Twatutia, in addition to the Osaka Shosen Kaisha's flat-bottomed paddle boat. The latter can hardly be called a success, owing to her extreme slowness. She is also somewhat unwieldy, and her only advantage is her small draught of water. As a rule, each Chinese launch makes one trip up and down river per day, whilst the Japanese boat makes two trips per day. I am informed that, during the summer, which is the busy season, a Chinese launch makes as much as 30 or 40 dol. per day. The fare is 15 c., and it is possible that, in

view of their cheapness, the launches may be able to hold their own against the Tamsui-Twatutia Railway.

All the carrying trade between Tamsui and Twatutia is done by junks and cargo boats. What effect the new railway will have on this trade remains to be seen. For shipment on steamers lying out in the stream, at any rate, the cargo boats would certainly seem to be the cheapest and best. The present station is rather inconveniently situated at the far end of the town, but in the dim future, when the railway is carried along as far as the custom-house, things may be altered, especially as regards shipments to the Japanese steamers, which lie alongside pontoons just below the custom-house.

Kelung is at present the only port with reference to which Harbour construction. plans for harbour construction have actually been drawn up. The construction of a harbour at Tamsui and other places is under consideration.

The works at Kelung for which appropriations have so far been granted are the dredging of a part of the inner harbour and the building of stone walls along the shore. There are designs for a much larger undertaking, but the estimates have not yet been settled nor the necessary appropriation obtained. Four dredgers, one of which will dredge 500 tons in an hour and another 400 tons, have been purchased.

The sum already put to tender for materials reaches over 1,000,000 yen.

At present Kelung Harbour is very much exposed to the weather, and at certain seasons the task of embarking on a steamer lying in the harbour is a very dangerous one, owing to the heavy swell. Before the harbour can be a really good one, the construction of a breakwater is necessary. The great objection to Tamsui is the bar at the mouth of the river, which vessels of more than 14 feet draught cannot pass. Another objection to Tamsui Harbour is the tremendous freshet which always accompanies a typhoon, causing the current to flow out at the rate of as much as 13 knots an hour. Even steamers have to moor themselves to the banks to avoid being carried away and considerable destruction is wrought amongst the Chinese junks and cargo-boats.

There are two lighthouses at Tamsui. The one on the hill is Lighthouses. of the sixth class, having a fixed white light visible at a distance of 10 nautical miles. The lower light is also of the sixth class, and has red, white and green lights, visible at a distance of six nautical miles. The two white lights in a line indicate the best channel for crossing the bar when it is in its normal State.

The depth of water on the bar is shown by signals hoisted on the flagstaff of the Imperial Japanese Customs. Only the small coasting steamers can enter at low tide.

The railway line between Tamsui and Twatutia was to be Railways. opened on August 25 of this year. The engineering difficulties are small, the steepest gradient being 1 in 100. The gauge is 3 feet 6 inches, but only 36-lb. rails are used. There are 14

bridges, totalling in length 74 feet. The estimated cost of the line was about 42,000/. The completion of the railway will be a great boon to those persons who have to travel between Tamsui and Twatutia. It will also be much used by Japanese as a means of access to the pleasant resort of Hokuto, where the sulphur springs are situated, and also to Maruyama, a public garden close to Twatutia. Trains will run four times a day, taking 53 minutes to do the distance of 13 miles, with stops at the intermediate stations of Maruyama, Shirin and Hokuto. The fare for the single journey from Twatutia to Tamsui will be 50 sen first-class and 25 sen third-class.

The Taihoku-Shinsha division of the new Taihoku-Shinchiku line will be opened at the same time, but as regards the Shinsha-Shinchiku division nothing has yet been settled. The length of the whole line from Taihoku to Shinchiku, when completed, will be 45 miles; 64 bridges will be needed with a total length of 6,193 feet, also one tunnel, length 1,528 feet. There will be 13 stations. Between Shinsha and Shinchiku communication is at present made by trolley, a bridge on the old line having been washed away and the railway thereby broken.

South of Shinchiku a survey has been made as far as Chuko, a distance of 11 miles. 17 bridges will be needed with a total length of 943 feet.

Between Chuko and Kagi, no plans have yet been decided upon.

The section between Kagi and Tainan will require 30 bridges having a total length of 4,020 feet.

Rails are to be imported from the Carnegie Steel Factory, U.S.A. Wheels for the carriages will be mostly British and 12 locomotives have been ordered from the United Kingdom.

The present stock of locomotives comprises four manufactured by the Baldwin Works, and bought from the defunct Formosa Railway Company; 10 British locomotives, six of which were captured in the war, and two German locomotives, also captured in the war.

During the year 1900, contracts for railway material to the value of nearly 87,000/. were secured by the United States as against a little over 47,000/. by Great Britain.

Roads.

There are two roads leading from Taihoku to the east coast of the island. One runs to Toyoi in Gilau district via Kelung, Zuiho, Chosokei, and Sorei, a distance of about 60 miles, the breadth of the road ranging from 6 to 15 feet. The second runs to Sowo in Gilau district, via Shinkogai, Sekiteigai, Keiryubi, and Koteirei, a distance of about 68 miles, breadth being same as first road.

The roads in Formosa all lead from one district office to another; their total length is several thousand miles, but they have not yet been classified by the Government.

Mines.

The Formosan gold mines are situated in the neighbourhood of Kelung. The output of gold in 1898 was about 112 lbs.; in 1899, 343 lbs., and for the first six months of 1900, 365 lbs. The gold is all sent to Japan.

The chief coal mines are situated between Taihoku and Kelung. In 1897, the total output was 43,498 tons; in 1898, 47,619 tons; in 1899, 32,099 tons; and for the first half of 1900, 21,489. Most of this coal is consumed in the island, the rest being exported to China. Machinery is very seldom used in mining.

The following table shows the amount of revenue and expenditure of the island for the financial years 1896-97 to 1900-01 inclusive:—

Financial Year.	Revenue.	Expenditure.
	Yen.	Yen.
1896-97	2,711,822	9,652,098
1897-98	5,324,224	10,487,610
1898-99	8,297,420	11,217,187
1899-1900	11,701,918	17,619,624
1900-01	13,127,872	22,126,482

The yen may be taken as equivalent to 2s. 1½d. of English money. It will be noted that the revenue is increasing at a much greater rate than the expenditure. The estimated revenue for the year 1901-02 is nearly 21,000,000 yen, including 1,617,000 yen from the customs, 1,608,000 yen from taxes, and 11,013,000 yen from Government property and industries, including the camphor and opium monopolies.

At the close of the year 1900, there were 25 foreigners resident in this Consular district, 12 at Twatutia and 13 at Tamsui. The Tamsui residents included four females and three children. Of the total number of 25 all but five were British. There were also about 10 Chinese British subjects, who are not included in the above figures. British firms at Twatutia numbered five. The number of residents at Twatutia is augmented during the tea season by merchants from Amoy.

As even residents in Japan are very hazy as to the proper designations of towns in this district the following information may be of value:—

The capital of Formosa is Taihoku, known by the Chinese as Taipei. What is usually called Twatutia (Japanese, Daidotei) is a suburb of Taihoku, facing the river, where the foreign merchants live. At the mouth of the Tamsui river lies the town of Hobé (Japanese, Kobi) often referred to as Tamsui, though Tamsui is, strictly speaking, the name of the port and not of the town. Letters for the British Consulate, Tamsui, are still frequently addressed "China" instead of "Japan"; the best form of address would be "Tamsui, North Formosa, Japan." "Taiwan" is simply the Japanese name for Formosa.

Annex I.—RETURN of Principal Articles of Import into Tamsui
and Kelung during the Years 1899–1900.

Articles.			1900.		1899.	
			Quantity.	Value.	Quantity.	Value.
Oil—				\$		\$
Kerosene ...			...	85,884	...	38,584
Other kinds... ..	Gallons	...	...	8,297	145,840	4,253
Opium—						
Benares	Cwts.	...	563	47,927	12	788
Persian	"	...	3,693	301,655	4,321	290,140
Other kinds... ..	"	...	205	10,882	71	4,004
Cotton goods—						
Grey shirtings	Sq. yards	...	1,470,794	12,996	1,047,820	8,266
White shirtings	"	...	2,103,983	24,471	1,437,132	16,175
Nankeen cloths	"	...	936,157	13,339	...	...
Cotton sateens	"	...	458,907	14,058	...	...
Piece-goods ... ..	"	...	...	30,809	...	26,698
Woolien goods—						
Camlets, lastings and						
crape lastings	Sq. yards	...	207,942	7,529	300,833	7,163
Metals—						
Lead	Cwts.	...	12,597	11,706	12,073	10,440
Other metals and manu-						
factures ... ..	...	...	...	13,967	...	...
Machinery ... ..	...	...	...	14,657	...	5,472
Railway engines and parts	...	...	...	638	...	5,419
Railway materials ... ..	...	...	...	23,611	...	10,493
Provisions—						
Fish	Lbs.	...	...	23,583	...	...
Vermicelli ... ..	...	...	1,306,785	6,565	...	...
Dried ... ..	...	...	...	7,862	...	...
Salt ... ..	...	...	...	6,912	...	26,358
Tinned ... ..	...	...	...	9,802	...	...
Others ... ..	...	...	...	3,720	...	...
Rice ... ..	...	...	...	71,611	...	319,755
Sundries—						
Beans	Cwts.	...	44,209	17,552	...	...
Beer ... ..	...	...	...	19,157	...	17,297
Cement ... ..	...	...	...	23,339	...	...
Drugs and medicines ... ..	...	...	...	8,370	...	...
Flour	Lbs.	...	7,205,168	27,031	...	24,147
Grass-cloth, and grass and						
cotton mixed	Sq. yards	...	285,273	5,799	238,293	5,705
Matches ... ..	...	...	...	16,129	...	9,875
Miso and soy (Japanese						
sauses) ... ..	...	...	...	15,513	...	...
Paper—						
All kinds ... ..	...	...	...	10,062	...	...
Chinese ... ..	...	...	...	22,203	...	28,944
Figs	Head	...	36,610	58,463	48,497	63,483
Porcelain and earthen-						
ware ... ..	...	...	...	9,007	...	...
Saké (Japanese wine) ... ..	...	...	...	50,989	...	...
Sugar, refined	Cwts.	...	42,639	30,257	...	22,468
Tea boxes ... ..	...	...	...	8,974	...	8,945
Timber, planks and poles	...	...	...	136,761	...	89,481
Tobacco and cigarettes ... ..	...	...	...	53,217	...	60,896
Miscellaneous ... ..	...	...	...	462,771	...	481,037
Total ... ..	...	...	...	1,738,045	...	1,587,289

Annex II.—RETURN of Principal Articles of Export from Tamsui and Kelung during the Years 1899–1900.

Articles.		1900.		1899.	
		Quantity.	Value.	Quantity.	Value.
Camphor	...	...	£ 253,578	...	£ 213,874
" oil (to Japan only)	...	...	96,352	...	114,349
Coal	Tons	22,096	10,187	18,112	7,953
Tea—					
Oolong	Lbs.	...	496,104	...	549,834
Pouchong	"	3,303,497	67,048	2,918,277	60,812
Flax, hemp and jute	...	...	5,832	...	4,601
Hides	...	...	5,617	...	...
Rice	...	...	3,307	...	3,260
Miscellaneous	...	...	49,819	...	55,416
Total	...	...	987,933	...	1,610,099

Annex III.—COMPARATIVE Table of Imports and Exports at Tamsui and Kelung from and to Japan and Foreign Countries during the Year 1900.

				Value.		
				Imports.	Exports.	Total.
				£	£	£
Foreign—						
Tamsui	..	..	..	938,378	695,601	1,633,979
Kelung	..	..	..	80,474	12,896	93,370
Total	..	..	..	1,018,852	708,497	1,727,349
Japan—						
Tamsui	..	..	..	26,807	11,983	38,790
Kelung	..	..	..	692,386	267,453	959,839
Total	..	..	..	719,193	279,436	998,629
Total foreign and Japan				1,738,045	987,933	2,725,978

**Annex IV.—Return of all Shipping Engaged in Foreign Trade at
the Ports of Tamsui and Kelung during the Year 1900.**

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	56	39,255	..	..	56	39,255
German	1	828	..	..	1	828
Japanese	57	48,992	..	..	57	48,992
Chinese junks ..	..	..	960	40,625	960	40,625
Total ..	114	89,075	960	40,6	1,074	129,700

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	55	38,578	..	..	55	38,578
German	1	828	..	..	1	828
Japanese	66	55,021	..	..	66	55,021
Chinese	1	32	1	32
„ junks	960	39,665	960	39,665
Total ..	123	94,459	960	39,665	1,083	134,124

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J A P A N.

REPORT FOR THE YEAR 1902

ON THE

TRADE OF NORTH FORMOSA.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 2869.

*Presented to both Houses of Parliament by Command of His Majesty,
AUGUST, 1903.*

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Reference to previous Report, Annual Series No. 2869.

Report on the Trade of North Formosa for the Year 1902

By MR. CONSUL R. DE B. LAYARD.

(Tamsui, May 26, 1903; received at Foreign Office, July 7, 1903.)

The temporary depression in the general trade of this district, ^{Trade of the} indicated in last year's trade report, has passed over, and the ^{year.} returns show that the total trade for the year under review, whilst surpassing that of 1901 by nearly 400,000*l.*, is also in excess, by some 200,000*l.*, of that recorded for 1900.

The whole of the increase is due practically to the extension in Tamsui exports, helped, however, in some degree by those from the four minor ports of this district, Kiu Kong, Oulung, Tokaku and Lu Kong, partly reduced by the decrease in imports for Tamsui and in both imports and exports at the port of Kelung.

The total trade for the six ports in this district, viz., Tamsui, Kelung and the four ports already mentioned, amounts to 3,208,379*l.*, the highest point yet touched; but, although it is satisfactory to note how the tendency has been, with the one exception of last year, in the right direction, it cannot be said that much profit now accrues to the foreign merchant in the general import trade, whilst their profit in the independent export trade fluctuates practically with the variations in the American tea market.

Imports and exports are fairly evenly divided for Tamsui and Kelung taken together; but, whilst Tamsui shows more than double the export total as regards Kelung, Kelung, thanks to the Japanese trade, still holds its own in respect of imports. The other four ports show an increase of 92,895*l.* in their last year's trade, nearly all in exports, or an advance of over 42 per cent. on the total of 1901.

It is difficult to demonstrate, with any degree of exactitude, the original sources and ultimate destination of imports and exports respectively, but the division of the above under the headings of the various countries is given in the returns furnished by the Tamsui customs authorities as follows:—Imports from the United Kingdom, 122,361*l.*; from Hong-Kong, 331,069*l.*; from British India, 71,547*l.*; and from Australia, 7,793*l.*; or from all British possessions together, 532,770*l.*; from the United States, 249,437*l.*;

from France and French Indies, 11,323*l.*, of which France itself contributes 457*l.*; from Germany, 9,068*l.*; and from China the large sum of 1,147,739*l.*

Exports, in the same returns, are bulked under three principal headings, viz., China, 752,189*l.*; Hong-Kong, 312,773*l.*; and the United States, 180,771*l.*

As may be seen from the table (Annex III) at the end of this report, of the total trade of 3,208,379*l.*, 1,147,406*l.* was the share falling to the trade of the two principal ports with Japan only, being divided into 724,361*l.* for imports and 423,045*l.* for exports; or more than one-third of the whole trade of the district.

TABLE showing Comparative Value of Imports and Exports for North Formosa during the Years 1902-1901.

				Value.		Increase or Decrease in 1902 as compared with 1901.
				1902.	1901.	
				£	£	£
Imports—						
Tamsui	..	..	..	624,690	764,231	— 139,541
Kelung	..	..	..	803,404	836,713	— 33,309
Total	..	..	..	1,428,094	1,600,944	— 172,850
Exports—						
Tamsui	..	..	..	992,668	485,979	+ 506,689
Kelung	..	..	..	477,282	505,220	— 27,938
Total	..	..	..	1,469,950	991,199	+ 478,751
Other ports—						
Imports	..	..	..	101,876	100,704	+ 1,172
Exports	..	..	..	208,459	116,736	+ 91,723
Total	..	..	..	310,335	217,440	+ 92,895
Grand total	..	..	..	3,208,379	2,809,583	+ 398,796

Imports
(Annex I).

Imports into this district from foreign countries in general decreased during 1902 to the extent of 215,550*l.*, as against a decrease in the preceding year of 98,397*l.* Imports from Japan, on the other hand, increased in 1902 by a sum of 43,872*l.*, thus fully making up the temporary decrease experienced in the previous 12 months.

Kerosene.

The tank storage installation for kerosene at Tamsui, belonging to the Shell Transport and Trading Company, which was mentioned as being in process of erection in the report for this district for the year 1900, was in working order during last year; tank steamers tying up to a pier in the Tamsui River, and a suction pipe connecting them with the tanks.

The system of tank storage and distribution is one which is gaining in favour with the natives, although at first they were inclined to be suspicious of the quality of the oil without the tin case.

There will always be a certain amount of case oil taken, not only for the convenience of storage in the house, but on account of the value of the tin which, besides being worth about 30 sen (7d.) intrinsically, is useful for conversion into buckets, dust pans and the like with very little trouble; but the distribution of the bulk oil from the tank installation, by means of tank boats on the river and tank wagons on the railway, is bringing it within the reach of small purchasers, in quantities suitable to their immediate needs, and is a growing business.

The import trade in case oil has almost entirely passed into Chinese hands from those of the foreigner, and has decreased from 58,873*l.* in 1901 to 50,127*l.* in 1902.

The value of the import of opium fell from 240,669*l.* in 1901 *Opium.* to 153,822*l.*, a decrease of 86,847*l.* in 1902. Indian opium was imported to the value of 67,162*l.*, but the Persian drug, being considerably cheaper and being required by the Government factory in larger quantities, still preponderates. No Chinese or Turkish opium was imported.

It is asserted by the authorities, and the figures of the import would seem to bear out their assertion, that the consumption of this drug is decreasing in Formosa. They express their intention of gradually stamping out the practice of opium smoking, and the stringent regulations enforced for the licensing of smokers and for the prevention of smuggling, assisted also by moral suasion, which at one moment took the form of a regular crusade against the habit on the part of the Buddhist missionaries from Japan, all tend towards bringing about this consummation. It has indeed been brought to my notice that the general appearance of the Chinese in this district has improved, which, however, may also be due in some degree to a better regimen of food being obtainable, since the advent of the Japanese placed a higher style of living within their reach, or possibly to the fact that the more intemperate among the consumers of the drug may have left the island for other places, where they find more liberty to indulge, but it is certainly a fact, evident to any person's observation, that fewer faces than formerly are seen among them showing the unmistakable brand of the opium habit. In any case, everything points to the fact that at some date, sooner or later, the import of opium is destined to be reduced to the limits of the country's requirements of the drug as a medicinal preparation only.

An increase in the value of the import of cotton goods of *a Cotton goods.* little over 7,000*l.* is recorded, but the trade in these goods has passed out of the hands of the foreign merchant into those of the Chinese.

Grey shirtings have increased by 1,189*l.* and white shirtings

(344)

are stationary, whilst Nankeen cloths, cotton sateens and other kinds of cotton goods have increased by nearly 6,000%.

Japanese imports, on the other hand, of piece-goods and other cotton tissues, have sprung from 49,008% in 1901 to 78,466% in 1902, an increase of over 50 per cent.

A sum of 4,064%, representing imports of raw cotton, appears for the first time in the table, but it is doubtful whether this indicates a promise of further orders.

Silk tissues. Silk tissues, which were noted separately as an import for the first time in last year's report, have increased from 7,506% to 8,451% in 1902.

Woollen goods. The demand for woollen goods, such as camlets, lastings and crape lastings, again shows a falling-off in the year under review, the import having fallen from 7,337% in 1901 to 5,446% in 1902.

Metals. An import of 17,003% for raw iron, all from or through Japan, requires a separate heading, and has been called for by the increased manufacturing power of the railway and other works which exist in this district. In this connection attention is drawn to the remarks which will be found under the heading of "General remarks" in this report, that it is now found more economical, with the greater local facilities at command, to import the raw or partially manufactured materials so as to avoid the heavier duties levied on the manufactured article.

Lead shows but a small decrease in value of about 300%. This metal is imported from Australia in pigs and is made up into sheets for the lining of tea chests locally, in a manner which, although primitive, appears to defy competition.

Molten lead is ladled out in just sufficient quantity for the purpose, learnt by practice, and poured in between two common flat Chinese tiles, on the upper one of which the operator spreads his foot, employing a pressure which will give the desired thickness to the metal. The sheet thus obtained is thrown out and is then, after trimming, pieced together with others, and soldered up into box shape suitable for the linings.

The import of other metals and manufactures has shrunk from 40,548% in 1901 to 21,644% in 1902, all of which came to Kelung from Japan.

Machinery and railway materials. There is a drop in the import of machinery, the value of which fell in 1902 to 6,808% from 9,137% in 1901. Railway materials have also shrunk from 9,465% to 7,529%.

With the trunk line still under construction, there should still be a continuation of this import, but it should be noted that the local railway works are now in a position to build their rolling-stock at Taihoku, so that the decrease in this import is largely due to the fact that a great part of the finished goods no longer appears as imports.

Provisions. Fish was imported in 1902 to the value of 19,863%, as against 26,142% in 1901, a fall of over 6,000%. Vermicelli is about stationary. The import of dried, salted and tinned provisions from Japan has

still further decreased from 18,650*l.* in 1901 to 12,558*l.*, whilst the import of other kinds, chiefly from China, shows a reduction of some 5,000*l.*, or of about 20 per cent.

The value of the rice import has again decreased from 69,782*l.* *Rice.* in 1901 to 61,491*l.*, of which 40,723*l.* formed the value of the Japanese import.

There is a marked falling-off in the import of beer, all from *Beer.* Japan; the values for 1901 and 1902 being 14,694*l.* and 6,605*l.* respectively; but among the other articles of import, which are added together under the heading of miscellaneous articles, is included an item of 5,948*l.* for wines and other liquors imported from Japan, over and above the import of saké (Japanese native liquor), which will be found under its proper heading of "Saké."

Cement has disappeared as a separate item from the returns of *Cement.* imports from foreign countries, but, on the other hand, the cement which now appears in the table is all imported from Japan, and has risen in value from 5,512*l.* in 1901 to a sum of 19,233*l.* in 1902.

As anticipated last year, the amount of coal imported has fallen *Coal.* considerably, a sum of only 1,645*l.* being given as its value, owing, in great measure, to the development of the mining industry in this district.

Drugs and medicines have fallen from 24,051*l.* to 15,941*l.* *Drugs and* Such as are used in the hospitals and the various Government *medicines.* Departments appear to be nearly all of German origin.

Flour shows a further slight decrease in the value of its import, *Flour.* being 21,876*l.*, or a little more than 800*l.* less than the import of the year 1901.

Matches, a purely Japanese import, rose in 1902 to the value *Matches.* of 16,524*l.* from 12,337*l.* in the previous year. Many of these are of such contemptible quality that three matches are required to obtain a light where one might have been sufficient formerly; the current retail price, however, is about 1*d.* or less for the packet of 10 boxes, which are of the Swedish pattern.

Paper imported during 1902 is valued at 49,483*l.*; 17,266*l.* *Paper.* worth of which came from Japan and the remainder, to the value of 32,217*l.*, from Chinese sources, showing, when taken together, a total increase of nearly 6,000*l.* on the import of the previous year.

Taken in connection with the items for beer and wines, the *Saké.* additional sum of 45,376*l.* for saké, which brings the total bill for beer and spirituous liquors to 66,018*l.*, is rather a revelation of the absorbent capacity of the population of this district; but it is a smaller sum, by about 6,000*l.*, than the import of 1901.

There is a notable falling-off in the value of the sugar import. *Sugar.* It has decreased from 41,408*l.* to 9,390*l.*, all of the latter refined sugar, as against 3,000*l.* worth of the last in 1901.

It will be seen that this article now appears amongst the exports in Annex II, and the assistance which the Formosa Government

is giving to the cultivation of this product is calculated to do away with the foreign import altogether.

Timber. Of the 76,099*l.* noted as the value for the import of timber, planks and poles, 50,965*l.* must be credited to Japan, which still keeps a strong lead in this item, although the total is 3,476*l.* less than the value of the total import for 1901.

Tobacco. Cigarette smoking is as popular, if not more so, than ever with the inhabitants of this district, both Chinese and Japanese, although the figures for 1901 and 1902 are 59,870*l.* and 50,567*l.* respectively; but the decrease is partly made up for by the increase in tobacco leaf, principally from China, which has risen from 19,138*l.* in 1901 to 21,685*l.* in the year under review.

Kelung imports. The total import trade of Kelung in 1902 decreased to 803,404*l.* from 836,713*l.* in 1901, of which only 84,813*l.* was for foreign imports as against 165,384*l.* in 1901. The principal items going to make up this total were, as before, pigs, 10,556*l.*; timber, 5,286*l.*; rice, 3,899*l.*; and Chinese paper of all kinds, 4,238*l.*

The imports at Kelung in 1902 from Japan alone amounted to 718,591*l.*, an increase of 47,262*l.* on the figures for 1901, thus doubly making up for the loss of that year, as compared with the value of the Japanese imports for 1900.

The more important items were, in the order of their several values, as follows:—Cotton tissues and piece-goods, 74,020*l.*; timber, &c., 50,965*l.*; tobacco, 50,567*l.*; provisions of all kinds, 48,511*l.*; saké, 45,376*l.*; manufactures of iron and other metals, 21,644*l.*; cement, 19,233*l.*; paper, 17,266*l.*; raw iron, 17,030*l.*; matches, 16,524*l.*; and miso and soy (Japanese sauces), 16,220*l.*

Other ports. The total imports into the four other ports of Kiukong, Oulung, Tokaku and Lukong amounted to 101,876*l.*, or 1,172*l.* more than the previous year. The only item worth noticing, as concerning foreign trade, was the import of kerosene oil, which reached a total value of 1,624*l.* The bulk of the imports to these coast ports comes in junks from China.

Exports (Annex II). The total export trade of 1902 for the whole district of North Formosa, amounting to 1,678,409*l.*, shows an increase of 570,474*l.* on that of 1901. For Tamsui and Kelung taken together there is an increase of 478,751*l.* on the total export trade of 1901, and of 91,723*l.* for the other ports. Kelung alone shows a decrease.

Camphor. The value of camphor exported in 1902 was 387,349*l.*, as against 245,195*l.* in 1901, or a rise of nearly 58 per cent. on the total of the preceding year. In addition to this, camphor oil to the amount of 95,993*l.* was sent to Japan, being, however, 42,115*l.* less in value than the export of the same product in 1901.

The contract for the sale of camphor under the monopoly expired on March 24, 1903, but has been renewed for a further term of three years.

An attempt has been made by the Government to monopolise the camphor produce of the Fokien Province in China, and a late member of the Formosa Government resides at Amoy in that

province for purposes of supervision ; but even if a monopoly were justifiable under existing circumstances, it is doubtful if these efforts can meet with success on account of the scarcity of material and contingent expenses. The supply is about 8,000 lbs. a month, and none of it has so far been brought as suggested to Formosa for refining.

31,575 tons of coal were exported during 1902, as against 26,130 Coal. tons in 1901, but the value has sunk from 14,000*l.* to 12,038*l.* Although cost of labour has taken most of this industry out of Japanese hands, the export is likely to go on increasing in value, if the mineral is worked by the Chinese under their more economical methods.

It has not been shown satisfactorily what can be done in the higher grades of coal, and the cost of production, owing to increased price of labour, together with freight charges, check its competition with coal in foreign markets ; but the facilities for supplying ordinary bunker coal to steamers have been greatly extended at the ports, where the supply can easily keep pace with the demand.

A note of the coal output for this district will be found under the heading of " Mines," but, in addition to the mines which are worked on the lines of big collieries, there are hundreds of surface workings which can now send their produce to market by rail or water, whilst everything tends to show that there is even more of the mineral yet to be found in the unexplored districts of the savage territory.

There was a large increase in the export of tea during the year Tea. 1902 as compared with that of the year 1901. Oolongs reached a total of 652,241*l.*, or an increase of 268,830*l.* on the export of the preceding year. Pouchongs decreased by some 2,500*l.*, and there was a small export of tea dust to Japan amounting to 1,308*l.* in value.

The following notes of the tea season of 1902-03, the figures for which necessarily do not tally with the export returns closing on December 31, have been kindly furnished to me by one of the local firms.

The total export of Oolong tea for the season 1902-03 amounted to about 474,000 half-chests, against 403,000 half-chests for the previous season, thus showing an increase of 71,000 half-chests. Of this total, 428,700 half-chests were shipped viâ Amoy, 13,600 half-chests viâ Kobe for transshipment to the United States, and 31,500 half-chests direct to the United States from Kelung viâ Suez. This is the first time that teas have been shipped direct to the United States from Kelung, and accounts for the falling-off of the shipments to Kobe in Japan.

The crop, taken all through, must be described as inferior to that of the previous year, with the exception, perhaps, of the spring arrivals, which showed good character, especially " in cup." Owing, however, to the strong demand from the United States, coupled with the lowness of exchange, teas sold readily.

Buying commenced in Daitotei (Twatutia) at the beginning of

May, *i.e.*, nearly a month earlier than in the previous season, and with the certain knowledge of the removal of the tea duty in the United States of America on January 1, 1903, it was difficult to predict what would be the result on the market.

This, however, was never in doubt after buying commenced, as, owing to heavy purchases by some houses, the market advanced by leaps and bounds, and finally touched prices which have not been seen for years, and the market may be said to have never shown the slightest weakness. In fact, it is doubtful whether, "quality for price," it was not higher at the end of the season than at any other period.

With the exception of the small direct shipment of 31,600 half-chests from Kelung to the United States, already mentioned, and the small lot which went *viâ* Japan, the whole export went *viâ* Amoy to the United States and London, the latter taking the usual requirement of about 10,000 half-chests.

Pouchong teas showed a decrease of 12,600 half-chests, as against the export of the previous season, which is probably due, in a large degree, to the high prices paid for Oolongs forcing Pouchongs out of the market.

Flax, hemp,
jute, &c. Attention is drawn to the steadily increasing export of flax, hemp, hemp skins and jute, the production of which is being carefully fostered by the Formosa Government.

The climate and soil of Formosa would seem to be eminently well suited to the cultivation of fibrous plants of all kinds, and, with the assistance which it receives from the Agricultural Department of the Government, the export promises to become an important one in the future.

The tendency of this export to increase has been very marked from the moment it first appeared in the tables, and the present total of 10,238*l.* for Tamsui and Kelung, which is the highest it has yet reached, shows an increase of over 2,000*l.* on the value of this export for 1901, whilst it may be noted that the total export for the whole district amounted in 1902 to nearly 20,000*l.* in value.

Sugar. Sugar also is receiving particular attention from the Formosa Government.

The northern district of this island is naturally not so well suited to its cultivation as the more southern regions, but it would seem that there is considerable expansion possible even here, and the export is worth watching. It is not feasible, however, to obtain figures showing the localities from which the sugars reached the port of final shipment.

All the sugar exported in 1902, amounting in value to 9,561*l.*, went to Japan *viâ* Kelung.

Hides. Hides, which fell in the total value of their export from 5,948*l.* in 1901 to 4,454*l.* in 1902, were all shipped for the Japan market.

Rice. The export of rice, nearly all of which went to Japan, rose in 1902 to 168,281*l.*, as compared with 91,447*l.* in the preceding year, an advance of 76,834*l.*

Sulphur is another article capable of expansion, even with Sulphur. the present known sources of supply, but the probability is that more deposits of the mineral remain to be discovered. During 1902 some 1,767 tons, valued at 8,476*l.*, were exported, of which 2,724*l.* were for Japan, and the remainder, valued at 5,752*l.*, formed the export to foreign countries.

The total export trade of Kelung for 1902, amounting to 477,282*l.*, Kelung exports. showed a decrease of nearly 28,000*l.* on that of 1901; of this total of 477,282*l.*, 414,623*l.* went to Japan, as against 484,176*l.* in 1901, and the balance of 62,659*l.* constituted the value of exports to foreign countries.

The principal articles of export to foreign countries from Kelung during 1902 were Oolong teas, 42,346*l.*, and camphor, 10,885*l.*, direct shipments having been made as elsewhere indicated.

Rice, 166,689*l.*; camphor oil, 95,993*l.*; camphor, 90,564*l.*; and Oolong teas, 23,780*l.*, head the list of exports bound for Japan.

The total export trade of 1902 from Kiukong, Oulung, Tokaku Other ports. and Lukong reached a total of 208,459*l.*, an increase of 91,723*l.* on the trade of the previous year. The exports showing the largest values were rice 169,511*l.*, and flax, hemp, hemp skins and jute 19,122*l.*, a further increase on previous years.

Tokaku has again the largest export trade of the four ports, viz., 119,695*l.*, nearly all for rice, of which staple this place exported 70 per cent. of their whole total.

Annex III, at the end of this report, is a table of the imports Comparison of foreign and Japan trade (Annex III). and exports at Tamsui and Kelung from and to Japan and foreign countries.

A return of all shipping engaged in foreign trade at the ports of Shipping (Annex IV). Tamsui and Kelung during the year 1902 is also added, forming Annex IV to this report.

The number of vessels of British nationality (45) entered and cleared in 1902 is within 1 of the figure of the preceding year, whilst Japanese steamers have increased in number by 9, being 63 steamers with a tonnage of 52,191 tons. The sailing vessels recorded against the heading of Japanese were, for the most part, junks flying the Japanese flag, but it is problematical whether the national colours are flown once the craft is across the Formosa channel.

Besides the above, and the usual steady influx of Chinese junks, only one ship of any other nationality, a Swedish steamer of 698 tons, entered.

Of the 45 British vessels, 5 of 8,669 tons entered Kelung from foreign ports. The Japan-Formosa trade in Japanese bottoms brought 148 steamers of 221,492 tons to Kelung and 2 others of 1,522 tons to Tamsui, making a total of 223,014 tons and 150 steamers.

The Japan-Kelung line is well served, the scheduled steamers arriving on eight days during each month, two of which extend their trip as far as Takow in the south and return to Japan viâ Kelung.

The weekly alternate steamers of the Osaka Shosen Kaisha, subsidised by the Imperial Government, continue their service between Hong-Kong and Tamsui, other steamers visiting the port as freights offer.

General
remarks.
River traffic.

As was to be anticipated, the Tamsui-Taihoku Railway has absorbed nearly all the long distance passenger traffic of the Tamsui River between those two places, although two or three steam launches still carry passengers up and down the river.

The days of the light-draught "cargo boats," which carry cargo from Daitotei (Twatutia) to the steamers at the port, are also threatened, since advantageous arrangements have been come to with the railway and customs authorities for handling goods at the Tamsui Railway terminus, close to which is a pier for the convenience of steamers.

Railways.

As above indicated, the railway authorities have met the shipping companies in a liberal manner with regard to the transport of teas and other goods from Daitotei (Twatutia) to Tamsui.

The arrangement was first made with a British firm, and the advantages being very obvious, it is probable that the ships of the Japanese line which now lie far from the terminus, but alongside the main custom-house, will not be long in following suit.

The difficulty has hitherto been owing to the distance between the railway terminus and the custom-house, and to the fact that there seem no means, except at enormous expense, of extending the former along the narrow shore level which is occupied by a mass of houses, whilst the custom-house authorities are naturally loth to abandon an establishment on which much money has been expended. Further, the offices and landing stages of the Osaka Shosen Kaisha form practically one enclosure with that of the customs foreshore premises.

The customs, however, have now established examination sheds at the railway terminus, and it may be expected that care for the welfare of the general public will ultimately prevail over other considerations.

During 1902 the railway of the main trunk line was opened to Chuko, a point over 11 miles beyond Shinchiku (Teckcham), and the further 10 miles section to Byoritsu (Miaoli) has now (May 25, 1903) been opened to traffic.

The success met with by girders and other railway material of American construction is due to the fact that manufacturers in the United States have been able to comply with local requirements in regard to standard sectional measurements, and this in face of the fact that British goods ruled cheaper. The comparative cost, will, it appears, be still more marked in favour of British manufactures in the near future, and orders may go to the United Kingdom rather than to the United States.

The question of standard measurements is one which has been fully discussed in trade journals, but there is one point of which manufacturers might with profit take note. It is absolutely

essential, if manufacturers wish to obtain orders, that they should make themselves acquainted with local requirements and conform to them.

In this district, for instance, there are exceedingly well-appointed works connected with the railway department, and the common practice is to import sections for bridge work, &c., and to do all the punching and riveting on the spot, so as to save heavy customs duties by importing the material under the cheaper rates levied on unfinished work. It is obvious, therefore, that, for this class of goods, a refusal to supply unfinished material entails a loss of business.

In this connection it should be noted that it is useless for manufacturers to compete for contracts unless they are on the list of tenderers approved by the Formosa Government. In order to get their names included in this list it would be necessary to make application and to furnish samples to the Government. This can be most readily done, either through a local agent or through the medium of the Formosa Government Inspector in the United Kingdom.

With regard to delivery of machinery and the like, the inspector above referred to is authorised to inspect locally before shipment, and a second inspection is made on delivery.

Particulars regarding the mileage, &c., of the railways will be found in the Consular Report of 1901 for this district.

As regards the safety of the anchorage in Kelung Harbour, the holding ground is good, but in certain conditions of weather, with the wind blowing from the northward, the only shelter from the heavy swell is in the inner harbour behind the red buoy, where vessels of 1,600 to 1,700 tons now anchor and work cargo at any time.

Harbour
construction.

The depth of water in the outer harbour is ample for ships of large tonnage, but for convenience of working cargo it is of course advisable for them to get as near to the landing place as they can; and it is expected that it will be possible shortly for ships up to 5,000 tons to berth in the inner harbour, but the space is limited.

At present unloading cargo has at all times to be carried out by means of lighters and cargo boats; and, except in the inner harbour, this would be rendered impossible during bad weather with a heavy swell running.

To remedy this defect it is proposed to build a breakwater across the mouth of the outer harbour, from Image Point to Palm Island, leaving an entrance mid-way in the main channel. This scheme is entirely dependent on the success of the Formosa Government in obtaining a grant of the necessary funds, which will amount to some 8,000,000 yen, or over 800,000£.

It is presumed that the building of this breakwater will permit of ships anchoring safely at any point in all weathers, but this can only be proved by practical experience, and the limits of the future harbour will, therefore, not be definitely settled till later.

Work on the harbour began in April, 1902, a grant of 2,000,000

yen (over 200,000.) having been made to this end in the last fiscal year. This was to cover expenses for dredgers, cranes and material for building a pier, which is about 250 yards long.

The custom-house warehouses are now situated near the railway station, which adjoins the landing pier above-mentioned, but should the estimates for the current financial year pass the Diet, it is also intended to reclaim some of the foreshore for a new quay, and to build a more extensive terminus for the railway at the head of the harbour. The construction of the breakwater will, however, have first place in the programme and all such schemes are dependent on it.

The shallow water at the shore end of the harbour is being steadily deepened by dredging, the attention of the authorities being, for the moment, directed to securing a uniform depth of 26 feet round the pier and to the north of it, which will include the removal of a considerable obstruction near the buoy referred to.

It will be seen, then, that the present harbour improvements amount merely to securing a uniform depth for the inner anchorage, and to forming a channel thence to a new station pier, and that all other facilities are conditional upon the success of the local Government in obtaining from the Imperial Diet a grant sufficient to cover the expense of building the breakwater.

Mines.

In order to illustrate the progress of the mining industry in this district, in respect of gold, coal and sulphur, comparative tables of the output for the past five years, which have been supplied to me by the Formosa Government, are given below.

The first, for gold, shows the results both for mining and for washing in values of sterling :—

Year.	Output from—				Total.	
	Gold Mines.		Gold Washing.			
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Ozs.	£	Ozs.	£	Ozs.	£
1898 ..	1,331	4,375	798	2,307	2,129	6,682
1899 ..	8,938	13,784	863	2,649	4,801	16,433
1900 ..	11,165	38,506	1,144	3,408	12,309	41,914
1901 ..	18,770	70,417	15,432	46,353	34,202	116,770
1902 ..	28,946	108,622	19,454	60,004	48,400	168,626

The gold mines and alluvial washings are all situated in the Kelung and Zuiho districts, the Kelung River, which flows towards the Taihoku plain, being the source of the latter. The mines which yield the largest results are the Zuiho and Kinkwaseki mines not far from Kelung.

Permission to work the Zuiho mines was granted to the Fujita Company in 1896, under the style of the Kynfun gold mines. Their area is about 1,520 acres.

54 Japanese miners, working day and night by eight-hour shifts, are at present employed in the mine, and, in addition, 200 Chinese coolies for ordinary labour.

The extraction works are at present only in the experimental stage, and the necessary machinery was only got into place and began work from June, 1900. The average return on the ore treated is 5 in 10,000, but, so far, the total output is insignificant.

The Kinkwaseki mines, belonging to the Tanaka Company, began working in 1897, over an area of some 1,476 acres.

In this mine there are 130 Japanese miners employed and about 120 Chinese coolies. The proportion of gold to the soil and ore treated is a little over 8 in 10,000, and the average monthly output about 65 ozs.

There are three crushing mills and stamps with suitable machinery, and the mines, which are some hundreds of feet above the treating works, are connected with them by air lines and trollies.

Both companies own coal mines within a short distance of their works, which supply all their requirements with very little labour.

As will be seen from these tables, the gold mining industry is advancing rapidly, and from all accounts allows of considerably more expansion.

A table is given below of the output of coal and sulphur for this district during the years 1898 to 1901 and the first half of the year 1902. The value of the average annual output for these two minerals for the last five years is, for coal, 19,538 $\frac{1}{2}$., and for sulphur 2,719 $\frac{1}{2}$., so that it will be seen that the figures of the first half of 1902 promise a considerable increase in the subsequent half year and after, and the production of coal bids fair to recover the position which it held formerly :—

Year.	Coal.		Sulphur.	
	Quantity.	Value.	Quantity.	Value.
	Tons.	£	Tons.	£
1898	42,261	18,819	537	1,992
1899	29,818	10,552	564	1,566
1900	41,944	16,019	726	2,163
1901	65,689	25,332	1,610	4,559
1902 (to June 30) ..	51,163	17,198	796	1,954

Of the prospects of the import trade generally in this district it may be said at once that little can be done practically except through agents appointed locally or by travellers visiting the island. A resident agent is in the best position to watch every opportunity for pushing trade interests, and it follows that a resident merchant, if willing to undertake the furthering of trade interests for home firms, should be fully supplied by them with all available details, such as catalogues, &c., giving prices, measurements and the like,

Prospects of
the import
trade.

so that they will stand the best chance of obtaining orders without first having to enter on a tardy course of inquiry.

The means of access to this island, both from China and Japan, have been so simplified of late that travellers for firms can very well take it on their way without unnecessary loss of time.

It is suggested that the present system with regard to inquiries for trade openings might be greatly improved. Hitherto the usual course has been for a merchant or manufacturer to apply to the Consul for information concerning prospects, enclosing in some instances catalogues of goods. The reply in such cases is generally, of necessity, confined to a statement of the likelihood, or otherwise, of there being an opening in the district, accompanied by a list of local merchants who might possibly be willing to push the sale of the intending importer's particular goods.

Under the circumstances, it would seem to be equally useful, and also a great saving of time, to extract the same list from a directory for China, Japan, &c., which can easily be procured, bound in one volume, through the "Hong-Kong Daily Press" Office, 131, Fleet Street, London, E.C., or from Hong-Kong, and to address circulars and catalogues direct to the names given therein, as the list attached to the Consul's reply can afford no better guarantee in any respect.

With regard to catalogues, such as have been sent to the Consulate are exhibited in the office, but a common fault is that those sent thus, or to local merchants, fail to quote prices. Cases have occurred where firms have failed to obtain orders simply because the Japanese inquirer could not afford to wait whilst the manufacturer was communicated with on the subject. There is no hope of snatching these rare chances unless catalogues contain all possible details with regard to prices f.o.b., &c., and their value would, of course, be greatly enhanced if approximate prices in Japanese currency were added.

There is certainly no prospect of a very large import trade in miscellaneous articles, but there is a limited demand for bicycles, photographic appliances, sewing machines and the like; and it may be well to state that where inquiries have been addressed to this Consulate by Japanese dealers, the only course possible, in the absence of price lists, has been to recommend application to a local British firm for the purpose of establishing communication with the manufacturer.

A difficulty, of course, exists in the matter of business between Japanese dealers and home manufacturers, but this can always, or most usually, be overcome through the local merchant, by obtaining guarantees, or a deposit of money in a bank to secure the manufacturer against loss. A successful application of this system to begin with would no doubt eventually lead to direct business relations.

Population.

The latest returns made by the Formosa Government give the present strength of the Japanese population as 37,876, consisting

of 24,488 males and 13,388 females. The native Chinese are said to number 2,802,781, whilst 569 tribes of aborigines, described as savages, are mentioned, aggregating 95,597 persons.

There were, at the close of the year 1902, 36 foreigners resident in this Consular district, of whom 25 were British and 6 were United States citizens. Seven British and three American firms were represented.

It appears to be necessary, for the sake of general information, to repeat the closing paragraph of last year's report, viz., that letters for this Consulate should be addressed to, "Tamsui, North Formosa" ("viâ Japan" or "viâ Hong-Kong" as the case may be, whether by America or by Suez), but in no case should the word "China" be added.

**Annex I.—RETURN of Principal Articles of Import into Tamsui
and Kelung during the Years 1902-1901.**

Articles.		1902.		1901.		Average value for the 5 years 1897-1901.
		Quantity.	Value. £	Quantity.	Value. £	
Oil—						
Kerosene ... ..	...	...	50,127	...	58,873	51,357
Other kinds ... ..	...	...	7,958	...	8,097	7,062
Opium—						
Benares	Lbs. ...	60,000	37,708	67,872	48,838	33,574
Patna	" ...	46,667	29,454	...	...	...
Persian	" ...	199,295	86,660	262,528	156,132	198,426
Other kinds ... ..	" ...	...	...	34,272	36,699	...
Cotton goods—						
Grey shirtings	Sq. yds.	1,834,828	14,022	1,548,932	12,833	12,125
White	" ...	2,042,431	21,647	1,878,261	21,471	23,596
Nankeen cloths	" ...	1,564,293	21,269	1,145,094	15,128	...
Cotton sarees	" ...	462,079	13,234	476,956	14,582	...
Other kinds	" ...	265,433	4,204	218,279	3,293	...
Piece-goods and cotton tissues ... ..	...	...	78,466	...	49,008	...
Raw cotton	Cwts. ...	1,827	4,064	...	...	...
Silk tissues	Sq. yds.	...	8,451	73,451	7,506	...
Woolen goods—						
Camlets, lastings and craps lastings	" ...	153,353	5,446	204,253	7,837	7,188
Metals—						
Iron, raw ... ..	...	...	17,003	...	...	...
Lead	Cwts. ...	14,294	10,337	12,783	10,651	10,467
Other metals and manu- factures ... ..	...	...	21,641	...	40,548	...
Machinery ... ..	...	...	6,808	...	9,137	9,755
Railway materials ... ..	...	...	7,529	...	9,465	16,191
Provisions—						
Fish ... ..	...	...	19,863	...	26,142	...
Vermicelli	Cwts. ...	10,398	5,683	10,524	8,511	...
Dried ... ..	...	...	2,545	...	6,575	...
Salted ... ..	...	...	4,962	...	5,219	...
Tinned ... ..	...	...	5,051	...	6,856	...
Other kinds ... ..	...	...	20,328	...	25,542	...
Rice ... ..	...	...	61,491	...	69,782	112,692
Sundries—						
Beans (all kinds) ... ..	...	...	12,506	...	12,805	...
Beer ... ..	...	...	6,605	...	14,694	14,259
Cement ... ..	...	...	19,233	...	5,512	...
Coal ... ..	...	...	1,645	...	5,604	...
Drugs and medicines ... ..	...	...	15,941	...	24,051	...
Flour	Cwts. ...	52,479	21,876	10,524	22,723	22,723
Glassware ... ..	...	...	3,252	...	8,071	...
Grass-cloth, and grass and cotton mixture	Sq. yds.	371,506	4,712	314,588	5,731	11,482
Matches ... ..	...	...	16,624	...	12,337	9,376
Miso and soy (Japanese sauces) ... ..	...	...	16,220	...	20,152	...
Paper—						
All kinds ... ..	...	...	17,266	...	15,279	...
Chinese	Cwts. ...	58,708	32,217	...	28,850	23,807
Pigs	Head ...	27,831	39,672	28,890	42,806	63,221
Porcelain and earthen- ware ... ..	...	...	9,078	...	8,606	...
Saké (Japanese wine) ... ..	...	...	45,376	...	49,108	...
Sugar, refined	Cwts. ...	15,151	9,390	56,209	41,408	32,009
Tea boxes ... ..	...	...	8,920	...	9,126	8,925
Timber, planks and poles ... ..	...	...	76,099	...	79,575	73,455
Tobacco and cigarettes (Japanese) ... ..	...	...	50,567	...	59,870	...
Tobacco leaf	Lbs. ...	2,999,691	21,685	...	19,138	...
Miscellaneous ... ..	...	...	433,356	...	466,270	...
Total ... ..	...	...	1,428,084	...	1,600,944	1,343,270

Annex II.—RETURN of Principal Articles of Export from Tamsui and Kelung during the Years 1902–1901.

Articles.		1902.		1901.		Average value for the 5 years 1897–1901.
		Quantity.	Value.	Quantity.	Value.	
Camphor	Lbs. ...	5,253,411	£ 387,349	...	£ 245,915	£ 185,519
“ oil (to Japan only)	“ ...	2,740,713	95,993	...	138,108	...
Coal	Tons ...	31,575	12,038	26,130	14,000	7,308
Tea—						
Oolong	Lbs. ...	8,599,532	652,241	...	383,411	530,723
Pouchong	“ ...	2,667,558	50,071	2,920,228	52,610	55,985
Dust (to Japan only)	“ ...	275,023	1,308	...	...	...
Flax, hemp, hemp skin and jute	“ ...	1,418,629	10,238	...	8,146	6,181
Sugar	“ ...	1,193,826	9,561	...	...	...
Hides	“ ...	318,051	4,454	...	5,948	...
Rice	Cwts. ...	430,334	168,231	...	91,447	20,365
Sulphur	Tons ...	1,767	8,476	...	...	...
Miscellaneous ... ..	“ ...	...	69,940	...	51,614	...
Total ... ..	...	...	1,469,950	...	901,199	918,537

Annex III.—COMPARATIVE Table of Imports and Exports at Tamsui and Kelung from and to Japan and Foreign Countries during the Year 1902.

				Value.		
				Imports.	Exports.	Total.
				£	£	£
Foreign—						
Tamsui .. ..	..	..	..	618,920	984,216	1,603,166
Kelung .. ..	..	..	..	84,813	62,659	147,472
Total .. ..	..	..	..	703,733	1,046,905	1,750,638
Japan—						
Tamsui .. ..	..	..	..	5,770	8,423	14,193
Kelung .. ..	..	..	..	718,591	414,623	1,133,214
Total .. ..	..	..	..	724,361	423,045	1,147,406
“ foreign and Japan				1,428,094	1,469,950	2,898,044

**Annex IV.—RETURN of all Shipping Engaged in Foreign Trade
at the Ports of Tamsui and Kelung during the Year 1902.**

ENTERED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	45	38,847	..	..	45	38,847
Japanese	63	52,191	76	5,573	139	57,764
Swedish	1	698	..	..	1	698
Chinese junks ..	..	..	687	23,761	687	23,761
Total ..	109	91,736	763	29,334	872	121,070

CLEARED.

Nationality.	Steam.		Sailing.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	45	38,847	..	..	45	38,847
Japanese	62	51,898	98	5,987	160	57,885
Swedish	1	698	1	698
Chinese junks	699	24,124	699	24,124
Total ..	108	91,443	797	30,111	905	121,551

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JAPAN.

REPORT FOR THE YEAR 1903

ON THE

TRADE OF NORTH FORMOSA.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 3054.

*Presented to both Houses of Parliament by Command of His Majesty,
JULY, 1904.*

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1904.

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Reference to previous Report, Annual Series No. 3054.

Report on the Trade of North Formosa for the Year 1903

By MR. CONSUL PLAYFAIR.

(Tamsui, May 28, 1904; received at Foreign Office, July 11, 1904.)

The total trade of this district for the year under review amounted Trade of the to 3,270,663*l.* as against 3,208,379*l.*, showing an increase of 62,284*l.* year.

This increase is due to the improvement in trade at Kelung, which shows a total increase of 317,430*l.*, made up of an increase in imports of 146,698*l.* and in exports of 170,732*l.*

The figures for Tamsui show the large decrease in exports of 190,930*l.*, but increased imports to the extent of 40,821*l.*, while the trade of the four minor ports of Kiu Kong, Oulung, Tokaku and Lu Kong (or Rokko) show a decrease in both exports and imports amounting together to 105,037*l.*

The following table gives the figures for the trade of the six ports of North Formosa for the years 1903-1902 :—

COMPARATIVE Table of Imports and Exports for North Formosa during the Years 1903-1902.

				Value.		Increase or Decrease in 1903 as compared with 1902.
				1903.	1902.	
				£	£	£
Imports—						
Tamsui	..	..	..	665,511	624,690	+ 40,821
Kelung	..	..	..	950,102	803,404	+ 146,698
Total ..	..	..	..	1,615,613	1,428,094	+ 187,519
Exports—						
Tamsui	..	..	..	801,738	992,668	— 190,930
Kelung	..	..	..	646,014	477,282	+ 170,732
Total ..	..	..	..	1,449,752	1,469,950	— 20,198
Other ports—						
Imports	..	..	..	90,808	101,876	— 11,068
Exports	..	..	..	114,490	208,459	— 93,969
Total ..	..	..	..	205,298	310,335	— 105,037
Grand total ..	..	..	..	3,270,663	3,208,379	+ 62,284

Imports. The imports from foreign countries show an increase of 73,859*l.*, and those from Japan an increase of 113,660*l.*

Increase general. The majority of articles mentioned in the table show an increase, notably provisions, 60,253*l.*; rice, 54,216*l.*; tobacco and cigarettes, 46,176*l.*; and metal manufactures, 41,085*l.*; while the only large decreases are in opium, 37,000*l.*, and miscellaneous, 149,146*l.*

Kerosene oil. Kerosene oil shows a satisfactory increase, and will probably be even better next year, as owing to insufficiency of transport prices of stocks held have risen greatly.

A new tax lately imposed on this staple may, however, prove detrimental to an increased import.

The tins in which the case oil is imported are used for making a variety of utensils, and are worth about 6 or 8 sen ($1\frac{1}{2}d.$ or $2d.$) each.

Opium. The value of the opium import fell from 153,822*l.* in 1902 to 116,819*l.* in 1903, a decrease of 37,000*l.*

The authorities are doing their best to put down the opium habit, and appear to be meeting with a fair measure of success.

No one but the Government is allowed to deal with opium in any way, save those who are licensed. Only those proved to be addicted to opium are given permission to buy and smoke it. Exceptionally heavy penalties are inflicted on those detected in importing, selling or smoking the drug without permission.

Regulations for the application of the Opium Law were first promulgated in 1897, but have frequently been revised since. These regulations show that the Government makes three qualities. Agents and dealers in opium have to be non-smokers and persons of good character. They are licensed, as are the smokers, and the latter must always produce their licenses when purchasing opium, of which, however, only a certain quantity can be bought. The price is fixed by Government, and the selling agent who supplies the retailer is only allowed a profit of $1\frac{1}{2}$ per cent. He pays 3 yen a year for his license, and has to report monthly the quantity and value of the opium he has sold since the last report. The retailer also has to pay 3 yen per annum for his license, and has to keep a careful account of his transactions and report to the police.

The regulations control the agent, dealer and smoker so completely that, if well administered, evasion is almost impossible. Nevertheless, it is asserted that a large amount of smuggling is carried on. On the promulgation of the law it was translated and well circulated amongst the islanders. Officials acquainted with the vernacular went from village to village, gathered together the chief natives and, pointing out to them the great injury done to mind and body by indulgence in the habit, at the same time expounded the law. Moreover, the native authorities generously assisted natives in the study of the Japanese language in order to qualify them as interpreters. Text books on the subject were circulated for the benefit of children, and opium was made a special branch of study in schools.

The attempt to control the opium habit caused at the outset many disturbances, which might easily have ripened into rebellion but for the policy of the administration.

The authorities found great difficulty in ascertaining the number of smokers, as people refused to give information, and it was not until late in 1900 that it was believed that all the opium smokers in Formosa were registered.

Since that date it is reckoned that the number of smokers has decreased by about 1,000 a month.

There are, as stated above, three grades of opium made at the Government factory, all of which those who can afford to buy a first class ticket (red) at 3 yen per month may purchase and use. The second class smoker pays 1 yen 50 sen per month for a green ticket entitling him to buy the second and third grades of opium, while the third class smoker pays 20 sen monthly for a yellow ticket conferring the right to indulge in the commonest quality only.

The use of opium in Formosa is steadily declining, the result not only of law but also of public opinion.

The following table shows the number of licenses issued to opium smokers during the past five years :—

Year.	Number of Licenses.		
	Males.	Females.	Total.
1899*	121,602	9,390	130,992
1900	155,957	13,089	169,046
1901	145,267	12,352	157,619
1902	130,149	13,343	143,492
1903	119,959	12,941	132,903

* Approximate.

There is not much of interest to note in regard to the import of Cotton goods. cotton goods. The decrease in Nankeen cloths is almost exactly balanced by the increase in cotton sateens. Cotton yarns find a place in the table for the first time.

The increase in silk tissues amounts to nearly 5,000%.

Silk tissues.

Apparently all the iron in an unmanufactured state that was Metals. required for railway and other works was imported in 1902, as it does not find a place in the returns for 1903, while on the other hand, manufactures of metal show an increase of 41,085%.

The import of lead shows an increase about commensurate with the increased export of tea. It is nearly all used for lining tea chests, and most of it comes from Australia.

Railway materials show an advance of over 13,500%, while Railway materials. sleepers for railways figure for 5,258%. These came from Japan.

Provisions of all kinds show the largest increase under any one Provisions. heading, viz., 60,253%. The increase is manifest under each of the various items of fish, vermicelli, tinned and sundry provisions.

- Rice.** The import of rice shows the second largest increase, amounting to over 54,000*l*. The value of the rice imported from Japan was 76,548*l*.
- Beer.** Beer rose from 6,605*l*. to 11,166*l*., an increase of 69 per cent.
- Coal.** The import of coal was trifling.
- Drugs and medicines.** Various drugs and medicines show an increase of some 6,700*l*., in addition to which ginseng, much prized for its medicinal properties, was also imported to the value of nearly 12,000*l*. About two-thirds of the drugs, &c. used come from abroad, the remainder from Japan.
- Flour.** The use of flour by the inhabitants of Formosa continues to increase, the advance in 1903 being 11,768*l*. The greater part comes from the United States via Hong-Kong.
- Matches.** The imports of matches and paper, both Chinese and foreign, show a substantial increase as compared with 1902.
- Paper.**
- Sugar** Refined sugar from Hong-Kong shows a slight decrease, but this is offset by a large import of low grade from Japan.
- Timber.** Timber and planks show a large increase over the previous year's import. Nearly two-thirds came from Japan.
- Tobacco and cigarettes.** The import of tobacco leaf remains nearly stationary, but that of cigarettes has increased over 90 per cent.
- Kelung imports.** The total value of the import trade of Kelung is shown in Annex III. The most important articles of import from Japan alone were tobacco and cigarettes, 96,700*l*.; cotton cloths, 94,721*l*.; provisions of all kinds, 66,247*l*.; timber and planks, 64,071*l*.; saké, 47,872*l*.; and rice, 39,159*l*.
- Exports.** The total export trade of 1903 for the whole district of North Formosa shows a decrease of 114,167*l*. as compared with 1902.
- The export trade of Tamsui and Kelung together shows the trifling decrease of 20,198*l*., while the other ports give a decrease of 93,969*l*.
- The decrease in exports was, however, even more marked at Tamsui, amounting to 190,930*l*., Kelung alone showing an increase of 170,732*l*.
- Camphor.** Camphor exported shows a decrease in value to the amount of 78,119*l*.; but camphor oil, which is exported solely to Japan, increased to the value of 8,228*l*.
- Coal.** Less than 22,000 tons of coal were exported in 1903, a decrease of nearly 10,000 tons.
- Tea.** The export of tea last year shows a large increase in quantity but a decrease in value.
- Oolongs show a decrease amounting to 66,503*l*., but Pouchongs an increase of 16,547*l*. Foreign merchants do not deal in Pouchongs.
- I am indebted to the courtesy of one of the local firms for the following notes on the tea trade of 1903-04 :—
- The total export of Formosa Oolongs was about 514,000 half-chests as compared with about 474,000 half-chests for the previous season.

Shipments were as follows :—

	Half-Chests.
Via Amoy	391,000
„ Kelung to Kobe for transshipment to United States ..	24,300
Shipped at Kelung for United States direct	95,700
Total	514,000

The export of Pouchongs amounted to about 100,000 half-chests, as against about 85,000 half-chests for the previous season.

Shipments via Kobe of Formosa Oolongs amounted to 24,300 half-chests, an increase of 10,700 half-chests as compared with the previous year.

Shipments via Kelung direct for the United States were 95,700 half-chests as against only 31,500 half-chests for the preceding season, an increase of 64,200 half-chests.

During the coming season the probability is that a much larger quantity of Formosa Oolongs will be shipped from Kelung. This increase is likely to be especially marked in shipments from Kelung direct to the United States.

The crops, taken generally, may be described as more desirable than those of the previous season, being better in cup quality throughout the season, and, on the whole, with a better appearance in leaf.

The market was opened in Daitotei (T'watutia) early in April, about a month earlier than the previous season.

The market opened at very high prices, and early purchases must have resulted in loss to the importers. However, prices for the lower grades gradually declined, and as the American markets held firm importers must have done well.

The better grades of Formosa Oolongs commanded high prices on the Daitotei market, but as the supply of such teas was short, they also obtained full prices on the United States markets, and so have resulted favourably for shippers. Prices declined considerably in Daitotei towards the end of the season, more especially for the lower grades, and such teas could be laid down at a lower United States gold cent cost per lb. than ever hitherto known.

Although early in the season prices paid for lower grades on the Daitotei market were too high, this was offset by the lower prices at which such teas were obtainable towards the end of the season, so that the whole season's business should have resulted favourably for importers, as the United States markets continued firm.

A "sirocco" has been set up by Japanese and is being experimented with, but experts consider the customary method of basket firing over a slow charcoal fire more suitable for Formosa Oolongs. As, however, this experiment is still in its infancy a

reliable opinion can be better expressed when it has been given a fair trial.

An expert from Darjeeling has arrived in Formosa to inquire into the modes of cultivation of Oolong teas.

Flax, hemp,
&c.

Flax, hemp and jute show a large falling-off in quantity but a small increase in value, the export from Tamsui and Kelung being 11,428*l.*, and that from the other ports in the district 24,744*l.*

Sugar.

All the sugar exported in 1903 went to Japan from Kelung.

Rice.

Most of the rice sent out went to Japan. The amount exported from Kelung was 231,790*l.* and from Tamsui about 7,000*l.* The export from the minor ports was 81,250*l.*, of which the share of the port of Tokaku alone reached 47,923*l.*

Sulphur.

During 1903 the export of sulphur increased in quantity nearly 300 tons, but the value fell over 1,800*l.*

Kelung
exports.

Allusion has already been made to the increase in exports from Kelung. From all signs it would appear that trade at Kelung is bound to increase. The trade with China is falling-off somewhat, while that with Japan is increasing.

One of the principal exports from Kelung is rice. The rice crop of North Formosa has been a good one for several years in succession, and owing to the use of imported seed, increased care in cultivation and other causes, the grain is greatly improved in quality of late years, so much so, in fact, that Formosa rice is now quoted on the Rice Exchanges in Japan.

Comparison
of foreign and
Japan trade.
Shipping.

In Annex III will be found a comparison of imports and exports at Tamsui and Kelung from and to foreign countries and Japan.

Annex IV gives all shipping engaged in foreign trade during the past year at Tamsui and Kelung.

Owing to the presence of the bar at the mouth of Tamsui River only small steamers can enter that port. I have separated the shipping at the two ports, but it may be noted that 47 steamers (British) of 45,601 tons, entered at both ports in 1903, as against 45 of 38,847 tons in the preceding year. Japanese steamers, on the other hand, were only 58 of 50,076 tons, as against 63 of 52,191 tons in 1902. Three steamers of other nationalities entered in 1903, all at Kelung, but owing to the war with Russia the returns for 1904 will show a large increase in foreign steamers and a corresponding decrease in entries of vessels under the Japanese flag.

The figures given under the heading "Chinese junks" include all native built craft, though the majority sail under the Japanese flag.

Railways.

The railway system of this district was dealt with in last year's report, and I only add a few particulars of railway work carried out during the past year. These were kindly furnished me by the superintendent engineer of the Government lines.

During 1903 the main trunk line was extended from the north to Sansaho, more than 11 miles south of Byoritsu. This work necessitated the construction of two tunnels 633 and 2,235 feet in length respectively, and one bridge of 2,009 feet.

From the south the line has been advanced from Kagi—to meet the northern section—to Tarimu, a distance of over 14 miles. The bridges required on this section make a total length of 694½ feet.

Since the close of 1903 a temporary line has been laid for 4½ miles beyond Sansaho, and another of about the same length from Tarimu in the south.

The Sobunkei bridge, on the latter line, is 2,302 feet in length. It is expected that some 7 miles of line will be completed during this year.

No locomotives were imported during the year under review.

Nothing has been done with regard to moving the Japanese Steamship Company's pier nearer the railway terminus, nor does it seem likely that under the changed political circumstances any large sums will be voted in the near future for work which can be postponed.

The Diet rejected the vote asked on account of the Melung Harbour works, so that a sum of 200,000 yen (20,833½) had to be taken from local funds to meet the current expenses for the year, and the breakwater has accordingly had to be abandoned for the present.

The pier at the shore end of the harbour was completed in June, 1903. It is situated close to the railway station, and is a structure of about 430 feet long and 24 feet wide. Trolley lines run along it to the railway station. It can now be used by vessels of good size, as dredging operations have been carried out until a channel has been formed with a depth of about 26 feet. Further improvements are contemplated.

The latest returns of the population obtainable give the following figures :—

	Number.		
	Males.	Females.	Total.
Japanese	26,770	15,354	42,124
Native Chinese	1,552,518	1,330,430	2,882,948
Total	1,579,288	1,345,784	2,925,072

The number of foreign residents in this Consular district in 1903 was 33, of whom 21 were British and 5 were citizens of the United States.

As correspondence continues to arrive here wrongly addressed, it may be well to add that letters for this Consulate should be addressed to "Tamsui, Formosa." "Japan" may be added or omitted, but "China" is incorrect.

The yen has been taken as equivalent to 2s. 1d.

Exchange.

**Annex I.—RETURN of Principal Articles of Import into Tamsui
and Kelung during the Years 1903-1902.**

Articles.	1903.		1902.	
	Quantity.	Value. £	Quantity.	Value. £
Oil—				
Kerosene ... ..	...	65,717	...	50,127
Other kinds... ..	...	29,019	...	7,958
Opium—				
Benares Lbs. ...	67,000	48,600	60,000	37,708
Patna	26,593	19,860	46,867	29,454
Persian	91,953	48,559	199,295	86,660
Cotton goods—				
Grey shirtings Sq. yds. ...	1,588,430	12,060	1,834,828	14,022
White	2,161,181	22,573	2,042,431	21,647
Nankeen cloths	930,896	12,898	1,564,293	21,269
Cotton sateens	787,953	21,801	462,079	18,231
Other kinds ... ..	...	107,100	265,433	4,204
Cotton yarns ... ..	...	7,884	...	...
Flare-goods and cotton tissues ... ..	...	...	...	78,486
Raw cotton Cwts. ...	1,444	2,506	1,827	4,064
Silk tissues ... ..	...	13,437	...	8,451
Woollen goods—				
Cambrics, lastings and crape lastings Sq. yds. ...	227,742	7,541	153,353	5,446
Metals—				
Iron, raw Cwts. ...	15,443	10,902	14,294	17,003
Lead ... ..	...	62,729	...	10,337
Other metal and manufactures ... ..	...	...	...	21,644
Machinery ... ..	...	6,518	...	6,908
Railway materials ... ..	...	21,098	...	7,529
„ sleepers ... ..	...	5,258	...	...
Provisions—				
Fish—				
Dried ... ..	...	8,184	...	2,545
Salted ... ..	...	23,207	...	4,962
Other ... ..	...	19,431	...	19,863
Tinned ... ..	...	5,364	...	5,051
Vermicelli Cwts. ...	12,117	6,728	10,398	5,683
Other kinds ... ..	...	55,791	...	20,328
Rice Tons ...	16,282	115,707	...	61,491
Sandries—				
Beans (all kinds) ... ..	...	17,835	...	12,506
Beer ... ..	...	11,166	...	6,605
Cement ... ..	...	18,695	...	19,233
Clothing, ... ..	...	11,354	...	...
Coal ... ..	...	...	...	1,845
Drugs, &c., ginseng Lbs. ...	19,750	11,949	...	...
Other kinds ... ..	...	22,689	...	15,941
Flour Cwts. ...	68,365	38,644	52,479	21,876
Glassware ... ..	...	4,204	...	3,252
Grass-cloth, and grass and cotton mixture Sq. yds. ...	598,419	6,848	371,506	4,712
Matches ... ..	...	26,216	...	16,524
Miso and soy (Japanese sauces) ... ..	...	16,214	...	16,220
Paper—				
Chinese Cwts. ...	48,743	35,280	58,708	32,217
All kinds ... ..	...	22,448	...	17,266
Pigs Head ...	24,993	37,332	27,631	39,672
Porcelain and earthenware ... ..	...	9,102	...	9,078
Saké (Japanese wine) ... ..	...	47,872	...	43,376
Sugar—				
Refined Cwts. ...	13,300	7,248	15,151	9,390
From Japan	17,489	13,713	...	...
Tea boxes ... ..	...	9,979	...	5,920
Timber, planks and poles ... ..	...	98,160	...	76,099
Tobacco and cigarettes (Japanese) ... ..	...	96,743	...	50,567
„ leaf Lbs. ...	2,556,952	20,575	2,999,691	21,685
Miscellaneous ... ..	...	284,220	...	433,456
Total ... ..	...	1,615,613	...	1,428,084

Annex II.—RETURN of Principal Articles of Export from Tamsui and Kelung during the Years 1903–1902.

Articles.		1903.		1902.	
		Quantity.	Value.	Quantity.	Value.
Camphor	Lbs. ...	4,307,886	309,230	5,253,411	387,349
" oil (to Japan only)	" ...	3,074,881	104,221	2,740,713	95,993
Coal	Tons ...	21,947	7,879	31,675	12,038
Tea—					
Oolong	Lbs. ...	20,415,662	585,738	18,599,532	552,241
Pouchong	" ...	3,264,523	65,618	2,667,558	50,071
Dust ... ..	" ...	...	...	275,023	1,308
Flax, hemp, hemp skins and jute	" ...	1,051,412	11,428	1,418,629	10,238
Hides	" ...	292,138	3,689	318,051	4,454
Matches	Gross ...	183,405	6,442	...	...
Rice	Tons ...	30,828	238,638	21,516	168,281
Sugar	Lbs. ...	1,717,063	9,012	1,199,826	9,561
Sulphur	Tons ...	2,041	6,645	1,767	8,470
Miscellaneous ... ..	" ...	...	100,232	...	69,940
Total ... ..	...	...	1,449,752	...	1,469,950

Annex III.—COMPARATIVE Table of Imports and Exports at Tamsui and Kelung from and to Japan and Foreign Countries during the Year 1903.

				Value.		
				Imports.	Exports.	Total.
				£	£	£
Foreign—						
Tamsui .. ..	..	..	..	665,276	794,930	1,460,206
Kelung .. ..	..	..	..	112,316	151,078	263,394
Total .. ..	..	..	..	777,592	946,008	1,723,600
Japan—						
Tamsui .. ..	..	..	..	285	6,808	7,043
Kelung .. ..	..	..	..	837,786	496,936	1,334,722
Total .. ..	..	..	..	838,021	508,744	1,341,765
„ foreign and Japan				1,615,613	1,449,752	3,065,365

Annex IV.—RETURN of all Shipping (Steamers) engaged in Foreign Trade at the Ports of Tamsui and Kelung during the Year 1903.

ENTERED.

Nationality.	Tamsui.		Kelung.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	40	28,024	7	17,037	47	45,061
Japanese	56	48,104	2	1,972	58	50,076
Chinese junks ..	586	21,732	374	14,327	960	36,059
Other nationalities ..	..	..	3	6,734	3	6,734
Total ..	682	97,860	386	40,070	1,068	137,930

CLEARED.

Nationality.	Tamsui.		Kelung.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	40	28,024	7	17,037	47	45,061
Japanese	59	50,810	1	908	60	51,808
Chinese junks ..	630	23,196	372	14,150	1,002	37,346
Other nationalities	3	6,734	3	6,734
Total ..	729	102,030	383	38,919	1,112	140,949

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J A P A N.

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Reference to previous Report, Annual Series No. 3242.

Report on the Trade of North Formosa for the Year 1904

By MR. ACTING CONSUL E. F. CROWE

(Tamsui, March 31, 1905; received at Foreign Office, May 29, 1905.)

The total trade of this district for the year under review amounted to 3,405,452*l.* as against 3,270,663*l.* in 1903, showing an increase of 134,789*l.*, while the total trade for the whole Island of Formosa shows an increase of 316,000*l.* over 1903. This is the highest point yet touched, and demonstrates that the war has not seriously affected Formosan trade.

As regards the port of Tamsui, the exports again show a considerable decrease of over 180,000*l.*, but, on the other hand, the imports have increased by a corresponding amount.

At Kelung there has been a decrease in imports of over 55,000*l.* but a large increase in exports of 214,000*l.* The trade of the four minor ports Kiukong, Oulung, Tokaku and Lukong (Rokko) shows a decrease in both imports and exports amounting to 23,564*l.*

The following table gives the figures for the trade of the six ports of North Formosa for the years 1904-1902 :—

COMPARATIVE Table of Imports and Exports for North Formosa during the Years 1904-1902.

	Value.			Increase or Decrease in 1904 as compared with 1903.
	1904.	1903.	1902.	
	£	£	£	£
Imports—				
Tamsui	845,793	865,511	624,690	+ 180,282
Kelung	894,858	950,102	803,404	— 55,244
Total	1,740,651	1,615,613	1,428,094	+ 125,038
Exports—				
Tamsui	620,664	801,738	932,668	— 181,074
Kelung	862,403	648,014	477,282	+ 214,839
Total	1,483,067	1,449,752	1,469,950	+ 33,315
Other ports—				
Imports	88,352	90,808	101,876	— 2,456
Exports	93,382	114,490	208,459	— 21,103
Total	181,734	205,298	310,335	— 23,564
Grand total ..	3,405,452	3,270,663	3,208,379	+ 134,789

The following table is inserted for purposes of comparison ; it shows the figures for the total trade of the whole Island of Formosa both with Japan and with foreign countries during the years 1904-1903 :—

Trade with—	1904.			1903.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Japan	1,057,950	1,086,594	2,144,544	1,166,123	1,013,485	2,179,608
Foreign countries	1,337,335	1,290,741	2,628,076	1,122,122	1,153,990	2,276,112
Total	2,395,285	2,377,335	4,772,620	2,288,245	2,167,475	4,455,720

Imports.

The increase in the import trade of the port of Tamsui is almost entirely accounted for by the large increase in opium, which, according to the customs returns, was over 180,000*l.* in excess of 1903. The only other item which shows a considerable increase is kerosene oil.

Kerosene oil.

The amount of kerosene oil imported in 1904 was in value 10,000*l.* in excess of that imported in 1903. The quantities were as follows :—

					Quantity.
					Gallons.
"Comet" oil	..	..	..	..	1,900,000
Russian "	..	..	..	..	600,000
Sumatran "	..	..	..	..	280,000

The two former were imported in cases, the latter in bulk. The new duty is the same for bulk as for case oil. The natives still continue to prefer the American product.

The figures given by the Monopoly Bureau, showing the amount Opium. and value of opium imported during 1904, are as follows :—

					Number.	Value.
					Chests.	£
Benares	..	..	..	..	1,120	126,311
Patna	..	..	..	..	120	14,737
Persian	..	..	..	..	1,400	127,124
Total	..	..	..	..	2,640	268,172

These figures are considerably less than those given in the Japanese customs returns which appear in Annex I of this report, and which make the total value of the imported drug 298,570*l*.

The amount imported in 1903 was valued at 116,819*l*., and the large increase is due partly to political reasons, partly to the higher price of the drug and partly to a slight increase in the number of licenses issued, the figures for these being as follows :—

NUMBER of Opium-smoking Licenses Issued.

Year.	Number of Licenses.		
	Males.	Females.	Total.
1902	130,149	13,343	143,492
1903	119,959	12,944	132,903
1904	123,231	14,721	137,952

Grey and white shirtings and cotton sateens, all from the United Kingdom, show a slight increase, whereas Japanese piece-goods, which appeal far more to the native taste, and the import of which has of late years increased nearly 70 per cent., show a decrease of a few hundred pounds. But this decrease is only temporary, and is due to the fact that the cost of the Japanese goods rose considerably owing to the war, and that a smaller amount was therefore imported.

The imports of bicycles are at present trifling, and they do not appear as a separate item in the customs returns, but as several new

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roads suitable for cycling have been constructed and old roads repaired, it is not unlikely that the import may increase considerably in future, more especially as a new race track is now in course of construction at Taihoku. 410 machines were imported last year, at an estimated value of 2,200/. Of these only 20 were of British manufacture.

Exports. The total export trade of North Formosa shows an increase of 12,000/. over 1903, the principal gain being in camphor oil and miscellaneous articles. Kelung's increase is very considerable, amounting to 214,000/., while Tamsui exports have decreased by 181,000/., a large proportion of camphor and Oolong tea, which form the principal exports of Tamsui, having been shipped from Kelung.

Camphor. The amount of camphor exported shows an increase in value of over 9,000/. as compared with 1903, while camphor oil, which is exported solely to Japan, has increased by 24,000/. About 50 per cent. of camphor is extracted from this oil, of which 30 per cent. is retained for local consumption in Japan, the rest being exported as Formosan camphor.

The following table shows the shipments of Formosa camphor from April 1, 1900, to December 31, 1904, and during 1904 :—

SHIPMENTS of Formosa Camphor.

Destination.	From—	
	April 1, 1900, to December 31, 1904.	January 1 to December 31, 1904.
	Piculs.	Piculs.
Hong-Kong	6,349	430
India	12,096	4,379
Kobe	9,984	129
Europe	112,537	24,818
America	41,770	11,563
Total	182,736	41,319

NOTE.—1 picul = 133½ lbs.

Tea. I am indebted to the courtesy of one of the local tea firms for the following notes on the tea trade of the year under review.

There was a large decrease in the export of tea during the year 1904, which was entirely due to climatic conditions :—

TOTAL Export of Oolongs.

Year.						Number.
						Half-chests.
1903 .	..	..	..	..	..	514,000
1904 ..	..	..	..	..	..	452,000
Decrease						62,000

EXPORT of Pouchongs.

Year.						Number.
						Half-chests.
1903 ..	..	..	..	..	..	100,000
1904 ..	..	..	..	..	..	109,000
Increase ..						9,000

There was little variation in the market throughout the whole season, the tone being steady with an upward tendency. The ever-rising silver handicapped exporters, but as the American market has responded to the high prices, importers should have no difficulty in disposing of their imports.

The quality of the spring crops was better than for many years and the others were fair average crops. The principal shortage was in lower grade teas, and this is accounted for by the very short rainfall.

The Japanese Government tea factory has turned out practically no machine-made tea this season, and it is doubtful whether it will ever be a success, the high price of the green leaf making a manufactured tea too dear for most markets.

An interesting feature is the large increase in shipments to London as follows :—

Year.						Number.
						Half-chest.
1904 ..	..	..	..	..	..	11,700
1903 ..	..	..	..	..	..	7,250
Increase ..						4,450

Shipments of tea were as follows :—

To—						Number.
						Half-chests.
Amoy ..	..	..	..	..	..	299,204
America direct via—						
Pacific ..	..	..	..	..	..	41,744
Suez ..	..	..	..	..	..	95,249
Japan ..	..	..	..	..	..	16,624
Total ..						452,821

In Annex III will be found a comparison of imports and exports at Tamsui and Kelung from and to foreign countries and Japan.

As will be seen from the figures given in Annex IV, the total

Comparison
of foreign and
Japan trade.
Shipping.
Tamsui.

steam tonnage entered at Tamsui showed an increase in 1904 of four vessels and 8,500 tons.

British shipping shows an increase of four vessels and 6,500 tons, that is to say, the steamers of the Douglas Steamship Company made far more trips than in 1903.

In consequence of the war the Osaka Shosen Kaisha withdrew their two boats early in the year and replaced them by one German and one Norwegian steamer, which they chartered in order to maintain their weekly service between Hong-Kong and Tamsui via Swatow and Amoy, for which they receive a subsidy from the Japanese Government. These steamers are necessarily small because of the bar at the mouth of the Tamsui River, but they are also slow and have inadequate accommodation for passengers, so it is to be hoped the Osaka Shosen Kaisha will soon be in a position to replace them with better steamers.

Kelung.

Annex V shows the figures for the shipping engaged in the trade between foreign countries and Kelung, and Annex VI for the trade between Kelung and Japan during the years 1902-04.

From the former it will be seen that the total tonnage entered, both steam and sail, increased from 18,000 tons in 1902 to 39,000 tons in 1903 and 90,000 tons in 1904, while the steam tonnage shows an even more rapid increase from 5 vessels of 8,000 tons in 1902 to 12 vessels of 25,000 tons in 1903 and 32 vessels of 74,000 tons in 1904.

British shipping, which monopolised the trade in 1902, increased to 7 vessels of 17,000 tons in 1903 and 18 vessels of 43,000 tons in 1904. Germany, which appears for the first time, has 10 vessels of 22,000 tons, while the United States have 2 vessels of 6,000 tons. These vessels mostly called at Kelung during the tea season to take shipments of tea to the United States, and some took rice for Manchuria.

Goods between Japan and Kelung were formerly carried entirely in Japanese bottoms, and the total tonnage entered in 1903 was 217,000 tons, representing 166 vessels. During 1904 the Nippon Yusen Kaisha and Osaka Shosen Kaisha (Japanese companies) withdrew some of their larger steamers and chartered one British and three German steamers to replace them. These steamers being under Japanese charter were granted special permission to engage in the coastwise trade, which is not open to foreign vessels, and in this manner communication between Japanese and Formosan ports was successfully maintained.

In June the Japanese Government allowed foreign vessels to engage in the carrying trade between open ports in Formosa and open ports in Japan. Although this had been claimed as a treaty right it had not been previously recognised. Two foreign vessels availed themselves of this permission.

Currency.

On July 1 the Taiwan Ginko (Bank of Formosa) commenced to issue paper notes, payable in gold instead of silver as hitherto. On December 31 the amount of gold notes in circulation was 4,340,000 yen (say 452,000*l.*). The silver notes are gradually being withdrawn,

but there were still about 1,500,000 yen (say 156,000%.) in circulation at the close of the year.

A duty of 5 per cent. was imposed in April on "chopped" dollars, but "clean" dollars remained free. The "Tamsui" dollar, a fictitious coin worth about 4 to 5 per cent. less than the silver yen, is still used by the tea firms as a basis in making their purchases.

The rate of exchange between gold and silver is fixed by the Governor-General and is notified in the "Government Gazette." During 1904 the rate varied between 87 and 98 gold sen per silver yen.

The movements of specie and bullion during 1904 and 1903 were as follows :—

From and to—	1904.		1903.	
	Gold Coin and Bullion.	Silver Coin and Bullion.	Gold Coin and Bullion.	Silver Coin and Bullion.
	£	£	£	£
China and Hong-Kong—				
Imports.. ..	22,700	28,800	..	151,400
Exports.. ..	200	124,300	..	97,900
Japan—				
Imports.. ..	114,780	38,100	10,000	238,000
Exports.. ..	185,900	..	141,600	..

The construction of the main trunk line which is ultimately to connect Kelung and the capital, Taihoku, in the north with Takow in the south was proceeded with last year. Railways.

In the northern section the line was extended from Sansaho to Hakkoko, a distance of 5 miles.

In the southern section the line was advanced from Tarimu to Dakusui, a distance of 12 miles.

Note.—The section between Dakusui and Nihatsusui, 3 miles, was completed in January, 1905, and the section between Nihatsusui and Shōkwa (Chinese pronunciation, Chang-wha), 20 miles, was opened to traffic at the close of this month (March, 1905). In May the distance between Shōkwa and Koroton will be completed, and there will then only remain about 9 miles (between Hakkoko and Koroton) to be finished before trains can run through from north to south.

There is nothing of importance to chronicle with regard to improvements in the Kelung Harbour works. Funds were not forthcoming, and the construction of the breakwater had again to be abandoned temporarily. Kelung Harbour works.

Population of
Formosa.

The latest returns of the population give the following figures :—

				Number.		
				Males.	Females.	Total.
Japanese	..	..	..	28,918	19,270	48,188
Natives ..	..	..	..	1,550,492	1,347,876	2,898,368
Savages*	..	..	..	53,800	50,800	104,600
Chinese and other foreigners..				5,509	303	5,812
Total	..	..		1,647,719	1,418,249	3,065,968

* Approximate.

The number of foreign residents in this district in 1904 was 34, of whom 20 were British and 7 were citizens of the United States.

Exchange.

The yen has been taken as equivalent to 2s. 1d.

Annex I.—RETURN of Principal Articles of Import into Tamsui, and Kelung during the Years 1904-1903.

FORMOSA.										11
Articles.	1904.		1903.		Average, Five Years, 1899-1903.	Increase or Decrease in 1904 compared with—		Remarks.		
	Quantity.	Value.	Quantity.	Value.		1903.	Average, Five Years.			
										£
Oil—										
Kerosene ..	2,773,381	76,087	..	65,717	50,826	+ 10,370	+ 16,261	To Tamsui 51,000L., chiefly from America		
Other kinds ..	..	20,407	..	29,919	11,496	—	9,512	+ 8,911	
Opium—										
Benzene ..	..	..	..	..	36,771	..	..	..
Patna ..	192,000	155,709	{ 67,000	48,600	24,557	+ 181,751	+ 60,613	For Monopoly Bureau figures vide body of report (page 5)		
Persian ..	224,533	142,861	91,953	48,559	176,629	..	..	..
Cotton goods—										
Gray shirtings ..	1,705,318	15,846	1,538,430	12,060	12,039	+ 3,786	+ 3,807	All from United Kingdom to Tamsui		
White " ..	2,025,951	27,038	2,168,161	22,573	21,267	+ 4,165	+ 5,771	Chiefly from United Kingdom to Tamsui		
Nankeen cloths ..	..	..	..	..	12,527	—	7,698	From China	
Cotton satens ..	..	..	..	..	15,128	+ 1,668	+ 8,016	All from United Kingdom to Tamsui	
Other kinds ..	..	..	..	..	5,515	—	4,092	+ 6,469	
Piece-goods and cotton tissues	..	80,506	..	91,024	55,201	—	519	+ 85,304	From Japan to Kelung	
Cotton yarns ..	..	7,291	..	7,384	..	—	593	+ 7,291	Japan to Kelung
Raw cotton ..	2,204	5,302	1,444	2,806	2,100	+ 2,496	+ 3,202	..	China	
Silk tissues ..	..	14,143	..	13,437	8,182	+ 706	+ 6,011	..	..
Woolen goods—										
Camlets, lastings and crape lastings	121,218	3,864	227,742	7,541	7,003	—	3,677	—	All from United Kingdom to Tamsui	
Metals—										
Lead ..	16,318	11,885	15,443	10,902	10,467	+ 983	+ 1,418	Chiefly from Australia for lining tea-chests		
Other, and manufactures of	..	44,165	..	62,729	31,172	—	18,564	+ 12,993		

RETURN of Principal Articles of Import into Tamsui and Kelung during the Years 1904-1903—continued.

Articles.	1904.		1903.		Average, Five Years, 1899-1903.	Increase or Decrease in 1904 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.		1903.	Average, Five Years.	
Machinery	£ 8,170	..	£ 6,516	£ 7,602	+ 1,654	+ 588	5,000 <i>l.</i> worth from United Kingdom, the rest from United States in- cluding 15,000 <i>l.</i> worth of rails
Railway materials ..	..	22,707	..	21,098	13,913	+ 1,709	+ 8,794
" sleepers ..	..	3,363	..	5,358	..	- 1,995	+ 3,363
Provisions—								From Japan " China
Fish—								
Dried or salted ..	..	54,617	..	31,371	16,361	+ 23,246	+ 38,256
Other ..	..	24,788	..	19,431	23,505	+ 5,867	+ 1,283
Tinned provisions ..	..	7,395	..	5,864	6,770	+ 2,031	+ 625
Vermicelli ..	14,073	8,428	12,117	6,728	6,122	+ 1,700	+ 2,808	
Other kinds ..	..	23,820	..	55,791	26,345	- 31,971	- 2,525
Rice ..	17,857	114,525	16,282	115,707	127,699	- 1,182	- 13,144	About 45,000 <i>l.</i> worth from China to Kelung; about 29,000 <i>l.</i> worth from Japan to Kelung; about 40,000 <i>l.</i> worth from China to Tamsui
Sundries—								From Japan Chiefly from Japan; about 1,000 <i>l.</i> worth from Hong-Kong Principally from Japan
Beans ..	..	12,499	..	17,835	15,312	- 5,336	- 2,813
Beer ..	..	10,305	..	11,166	13,784	- 861	- 3,479
Cement ..	..	16,351	..	18,695	18,556	- 2,344	- 2,205
Clothing and acces- sories ..	..	18,550	..	11,354	8,109	+ 7,196	+ 10,441
Coal ..	..	1,972	..	..	1,574	+ 1,972	+ 398

Drugs—	..	Lbs. ..	12,477	12,156	19,750	11,949	6,396	+	207	+	5,760	Over 5,000 <i>l.</i> each from United States and Corea; rest from China. Korean article is worth three times the American
Ginseng ..	..	..	..	..	..	..	..	..	..	..	..	..
Other drugs ..	..	..	..	..	..	..	..	..	..	..	..	..
Flour ..	..	Cwts ..	..	35,232	68,365	22,669	14,032	+	12,563	+	21,200	Generally German
Glassware ..	..	..	52,044	26,150	..	33,644	25,884	+	7,464	+	296	Chiefly from United States
Grass-cloth, &c. ..	..	Sq. yds. ..	..	6,041	..	4,204	3,709	+	1,837	+	2,332	..
Matches ..	..	..	254,883	4,814	598,419	6,848	5,759	+	2,034	+	945	From China
Miso and soy ..	..	..	..	15,917	..	26,216	16,216	+	10,299	+	299	" Japan to Kelung
Paper—	..	..	..	15,422	..	16,214	16,513	+	792	+	1,091	Japanese sauces
Chinese ..	..	..	..	29,166	..	35,280	29,398	+	6,114	+	768	About 6,000 <i>l.</i> worth of "joss" paper
All kinds ..	..	..	..	30,163	..	22,448	14,511	+	7,715	+	15,652	8,000 <i>l.</i> worth of foreign paper from Japan to Kelung
Figs ..	..	Head ..	16,270	23,327	24,893	37,332	48,251	+	14,005	+	24,924	Equally divided between Kelung and Tamsui
Porcelain and earthen-ware	..	..	..	9,117	..	9,102	8,012	+	16	+	1,106	From China to Tamsui, 5,500 <i>l.</i> ; from China to Kelung, 1,200 <i>l.</i> ; from Japan to Kelung, 2,400 <i>l.</i>
Saké ..	..	..	..	43,844	..	47,872	46,669	+	4,028	+	2,825	All from Japan to Kelung
Sugar—	..	..	..	..	..	..	..	..	..	..	..	..
Refined ..	..	Cwts ..	11,185	6,923	13,300	7,245	22,153	+	322	+	15,230	From Hong-Kong
From Japan ..	..	..	12,861	15,875	17,489	13,713	..	+	1,962	+	15,675	..
Tea-box boards ..	..	..	..	10,418	..	9,979	9,188	+	439	+	1,280	" Japan
Timber ..	..	..	..	81,389	..	89,160	98,415	+	7,771	+	12,026	About 23,000 <i>l.</i> from China; the rest from Japan, including 7,000 <i>l.</i> worth of telegraph poles
Tobacco and cigarettes	..	..	..	44,506	..	96,743	64,259	+	52,237	+	19,752	From Japan. The decrease is in cigarettes; the stocks imported in 1903 were too large
" leaf ..	..	Lbs. ..	2,687,793	24,005	2,556,953	20,575	20,466	+	3,430	+	3,539	From China. On April 1, 1906, the Formosan Tobacco Monopoly will come into force
Miscellaneous ..	..	..	..	323,776	..	284,220	374,728	+	39,556	+	50,947	..
Total ..	..	..	..	1,740,651	..	1,615,613	1,594,000	+	125,088	+	148,651	..

Annex II.—RETURN of Principal Articles of Export from Tamsui and Kelung during the Years 1904–1903.

Articles.	1904.		1903.		Average, Five Years 1899-1903.		Increase or Decrease in 1904 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Value.	1903.	Average, Five Years		
Camphor ..	Lbs. ..	£		£	£	£	£	To Japan only. About 50 per cent. of camphor is extracted from this oil	
" oil ..	" ..	318,524	4,307,686	309,230	281,989	9,304	36,545		
		128,717	3,074,691	104,221	110,605	24,496	18,112		
Coal ..	Tons ..	13,394	21,947	7,879	10,411	5,515	2,963		
Tea—									
Oolong ..	Lbs. ..	563,243	20,415,662	585,738	533,465	22,495	29,778		
Pouchong ..	" ..	74,654	3,264,523	66,618	59,430	8,086	15,224		
Flax, hemp, hemp-skins and jute	" ..	8,862	1,051,412	11,428	8,069	2,566	793		
Hides ..	" ..	2,616	292,188	3,669	4,922	1,053	2,306		
Matches ..	Gross ..	4,272	183,405	6,442	2,300	2,170	1,972		
Rice ..	Tons ..	219,397	30,828	239,638	100,986	19,241	118,411	Chiefly to Japan. 60,000L. worth went to Manchuria for the army	
Sugar ..	Lbs. ..	6,931	1,717,063	9,012	6,679	2,081	252	To Japan. Most of the Formosan sugar is exported from South Formosa	
Sulphur ..	Tons ..	6,716	2,041	6,645	4,877	71	1,839	Markets abroad being bad, large stocks have been held over in Formosa. Output could be greatly increased were improved machinery imported	
Miscellaneous	..	135,731	..	100,232	58,253	35,499	77,478		
Total	..	1,483,067	..	1,449,752	1,181,986	33,315	301,081		

Annex III.—COMPARATIVE Table of Imports and Exports at
Tamsui and Kelung from and to Japan and Foreign
Countries during the Year 1904.

				Value.		
				Imports.	Exports.	Total.
				£	£	£
Foreign—						
Tamsui	..	..	..	845,798	620,664	1,466,457
Kelung	..	..	..	118,447	351,896	465,343
Total	..	..	..	959,240	972,560	1,931,800
Japan, Kelung	..	..	..	781,411	510,507	1,291,918
Total foreign and Japan				1,740,651	1,483,067	3,223,718

Annex IV.—RETURN of all Shipping engaged in Trade of Tamsui
during the Years 1902-04.

ENTERED.

Nationality.		Year.	Steam.		Sailing.	
			Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1902	39	29,508	..
	1903	40	28,024	..
	1904	44	34,595	..
Japanese	1902	68	52,152	..
	1903	56	48,104	..
	1904	9	6,328	..
Swedish	1902	1	698	..
German*	1904	25	24,160	..
Norwegian*	1904	22	19,612	..
Chinese and Japanese junks	1902	..	494	18,742
	1903	..	579	21,529
	1904	..	521	22,379
Total	1902	103	82,358	494
	1903	96	76,128	579
	1904	100	84,695	521
Grand total, steam and sailing	1902	597	101,095	..
	1903	675	97,657	..
	1904	621	107,074	..

* Japanese charter.

CLEARED.

Nationality.	Year.	Steam.		Sailing.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1902	39	29,508	..	..
	1903	40	28,024	..	..
	1904	44	34,595	..	..
Japanese	1902	62	51,897	..	..
	1903	59	50,809	..	..
	1904	6	5,239	..	..
Swedish	1902	1	698	..	..
German*	1904	23	22,207	..	..
Norwegian*	1904	22	19,612	..	..
Chinese and Japanese junks	1902	..	..	512	19,306
	1903	..	..	625	23,235
	1904	..	..	521	20,944
Total	1902	102	82,098	512	19,306
	1903	99	78,833	625	23,235
	1904	95	81,653	521	20,944
Grand total, steam and sailing	1902	614	101,404	..	..
	1903	724	102,068	..	..
	1904	616	102,597	..	..

* Japanese charter.

Annex V.—RETURN of all Shipping engaged in Foreign Trade of Kelung during the Years 1902-04.

ENTERED.

Nationality.	Year.	Steam.		Sailing.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1902	5	8,668	..	..
	1903	7	17,037	..	..
	1904	18	43,618	..	..
Japanese	1903	2	1,972	..	..
	1903	2	3,801	..	..
	1904	2	6,443	..	..
German	1904	10	22,463	..	..
	1903	1	2,933	..	..
	1904	2	2,340	..	..
Other nationalities ..	1903	..	..	249	10,127
	1903	..	..	366	14,128
	1904	..	..	403	16,118
Chinese and Japanese junks	1902	..	..	249	10,127
	1903	..	..	366	14,128
	1904	..	..	403	16,118
Total	1902	5	8,668	249	10,127
	1903	12	25,743	366	14,128
	1904	32	74,869	403	16,118
Grand total, steam and sailing	1902	254	18,795	..	..
	1903	378	39,871	..	..
	1904	435	90,937	..	..

CLEARED.

Nationality.	Year	Steam.		Sailing.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1902	5	8,668	..	..
	1903	6	14,548	..	..
	1904	19	45,218	..	..
Japanese	1903	1	898	..	..
United States ..	1903	2	8,801	..	..
	1904	2	6,448	..	..
German	1904	10	23,252	..	..
Other nationalities ..	1903	1	2,938	..	..
	1904	2	2,340	..	..
Chinese and Japanese junks	1902	..	..	273	10,447
	1903	..	..	371	13,948
	1904	..	..	401	16,163
Total	1902	5	8,668	273	10,447
	1903	10	23,280	371	13,948
	1904	33	77,258	401	16,163
Grand total, steam and sailing	1902	278	19,115	..	..
	1903	381	36,228	..	..
	1904	434	93,421	..	..

Annex VI.—RETURN of Shipping engaged in Trade between Japan and Kelung during the Years 1902-04.

Nationality.	Year.	Entered.		Cleared.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Japanese	1902	149	221,644	132	199,312
	1903	166	217,368	137	180,840
	1904	62	59,411	62	56,794
British	1904	13	20,987	11	17,814
German	1904	47	65,974	36	49,969
Norwegian	1904	7	7,005	6	6,284
Total	1902	149	221,644	132	199,312
	1903	166	217,368	137	180,840
	1904	129	153,377	115	130,811

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J A P A N.

REPORT FOR THE YEAR 1905

ON THE

TRADE OF NORTH FORMOSA.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 3405.

*Presented to both Houses of Parliament by Command of His Majesty,
JUNE, 1906.*

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1906.

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Reference to previous Report, Annual Series, No. 3405.

Report on the Trade of North Formosa for the Year 1905

By MR. ACTING-CONSUL E. F. CROWE.

(Received at Foreign Office, May 10, 1906.)

The total trade of this district for the year under review amounted to 3,406,208*l.*, as against 3,405,452*l.* in 1904, showing a trifling increase of 756*l.* This increase, however, is more marked when put into local currency, being over 670,000 yen, the difference in exchange between 2*s.* 0½*d.* and 2*s.* 1*d.*, at which the customs figures for this year and last year respectively were converted, accounting therefor.

At Tamsui the imports decreased by 135,126*l.*, while the exports show a slight increase of 6,568*l.* over 1904.

As regards Kelung, the trade with Japan, which had fallen off during 1904 in consequence of the war, has once more resumed its normal tendency to increase at the expense of foreign trade, and imports which last year showed a decrease of over 55,000*l.*, increased in 1905 by the comparatively large sum of 139,621*l.*

Exports have remained practically stationary.

The trade of the four minor ports, Kiukong, Oulung, Tokaku and Lukong (Rokko), though showing a small increase in exports, has diminished on the whole by over 11,000*l.*

The following table gives the figures for the trade of the six ports of North Formosa for the years 1903-05 :—

COMPARATIVE Table of Imports and Exports for North Formosa during the Years 1903-05.

	Value.			Increase or Decrease in 1905 as compared with 1904.
	1905.	1904.	1903.	
	£	£	£	£
Imports—				
Tamsui	710,667	845,798	665,511	- 135,126
Kelung	1,034,479	894,858	950,102	+ 139,621
Total	1,745,146	1,740,651	1,615,613	+ 4,495
Exports—				
Tamsui	627,250	620,664	801,738	+ 6,586
Kelung	868,272	862,403	648,014	+ 869
Total	1,490,522	1,483,067	1,449,752	+ 7,455
Other ports—				
Imports	75,822	88,352	90,808	- 12,530
Exports	94,718	93,382	114,490	+ 1,336
Total	170,540	181,734	205,298	- 11,194
Grand total ..	3,406,208	3,405,452	3,270,663	+ 756

The following table, which is inserted for purposes of comparison, shows the figures for the total trade of the whole Island of Formosa, both with Japan and with foreign countries during the years 1904-05 :—

Trade with—	1905.			1904.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Japan	1,376,473	1,394,611	2,771,084	1,057,950	1,096,594	2,144,544
Foreign countries	1,119,229	1,092,817	2,212,046	1,337,335	1,290,741	2,628,076
Total	2,495,702	2,487,428	4,983,130	2,395,285	2,377,335	4,772,620

Increase of trade in 10 years.

In connection with the above table it is interesting to note that during the 10 years that have elapsed since the island came under Japanese rule, the total trade has more than doubled, the figures being as follows :—

Trade with—	Year.	Value.		
		Imports.	Exports.	Total.
		£	£	£
Foreign countries ..	1896	863,100	1,140,222	2,003,322
	1905	1,119,229	1,092,817	2,212,046
Japan	1896	100,000*	148,597	248,597
	1905	1,376,473	1,394,611	2,771,084
Total, 1896 ..	..	963,100	1,288,819	2,251,919
„ 1905 ..	..	2,495,702	2,487,428	4,983,130

* Estimated.

As regards the ports of Tamsui and Kelung, the total increase during the past decennial period has also been very large, nearly 130 per cent., and, as is only natural, by far the greater part of this increase is in the trade with Japan, although even the exports to foreign countries have augmented considerably.

The following table gives the figures :—

Trade with—	Year.	Value.		
		Imports.	Exports.	Total.
		£	£	£
Foreign countries ..	1896	783,810	508,324	1,292,134
	1905	766,957	928,052	1,695,009
Japan	1896	65,318	45,067	110,385
	1905	978,189	562,470	1,540,659
Total, 1896 ..	..	849,128	553,391	1,402,519
„ 1905 ..	..	1,745,146	1,490,522	3,235,668

It is very difficult to ascertain with any degree of accuracy the original source and ultimate destination of the imports and exports, but it may be said roughly that of the foreign trade with this island during 1905, China had naturally by far the largest share ; the percentage among the various countries sharing in the trade being as follows :—

Imports.—China, 50 per cent. ; United Kingdom (figures for Ireland are not given separately), 15 per cent. ; British Colonies, 12 per cent. ; United States, 10 per cent. ; Germany, 1 per cent. and the rest 12 per cent.

Exports.—China, 50 per cent. ; United States, 30 per cent. ; and Hong-Kong, 19 per cent.

Annex I of this report is a return of the principal articles of import into Tamsui and Kelung. It will be seen that the items which have decreased are opium, rice and kerosene in the order named ; of these the first and third showed a heavy increase

(981)

in 1904, and the stocks carried over account for the lesser importation last year, while very fine rice crops in the island itself made it unnecessary to bring in large quantities from abroad. The items which have increased to a considerable extent are piece-goods from Japan, and metals and manufactures thereof.

Kerosene oil. Of the 2,000,000 gallons of kerosene oil imported, one-fifth was in bulk, the rest being case-oil from America. The Shell Transport Company, however, who have a tank storage installation at Tamsui, are gradually extending their market and, thanks to their tank wagons and tank boats, the natives are beginning to realize that bulk oil has its advantages. When the railway bridges are completed and the tank wagons can go right through and tap the southern part of the island, bulk oil should be able to compete successfully with the American product, more especially as it is said that means have been devised to render the lamps at present in use in Formosa, suitable for the burning of Borneo oil, which formerly owing to its richness in carbon was very smoky and consequently unpopular.

Opium. In past years the opium imported came almost entirely from British India and Persia, the former being used chiefly in the preparation of the first quality produced by the Monopoly Bureau, while the latter, owing to its cheapness was employed for the second and third qualities; but in 1905 the Persian drug was so high in price that the Formosan Authorities made a trial importation of Turkish opium, which apparently suited their requirements, for it is reported that a contract has been entered into with a firm in Turkey for a supply of the drug during 1906.

The opium monopoly is one of the Formosan Government's chief sources of revenue, and in spite of the number of licensed smokers having diminished from 169,064 in 1900, when it was estimated that all the smokers had been ascertained, to 131,272 in December, 1905, the profits of the Monopoly Bureau have not sensibly diminished, though exact figures cannot be procured. This is due in a great measure to the prevention of smuggling which used formerly to be carried on with great success, and to the fact that owing to the high rate of wages now obtainable in the island, smokers can afford more of the better quality drug than before. Notwithstanding the oft-repeated threat that no more licences would be granted, it is a significant fact that last March more than 30,000 new licences were issued, of which 7,000 were to persons between the ages of 20 and 30 who can hardly have been smokers under the Chinese régime. It must, however, be admitted that the number of these licences does not afford a very reliable guide to the actual number of smokers, for the licences, which are valid for life and only cost 30 sen (about 7*d.*), get mislaid or become useless owing to a change of address of the owner, and consequently have to be renewed, 15 sen being charged for the renewal.

Exports. The principal features in the export trade of North Formosa are the large increase in the shipments of rice and the decrease in camphor and camphor oil.

There was a considerable shortage in the production of camphor last year, due to a certain extent to the fact that the more easily accessible trees have been nearly all cut down, while the head-hunting savages are still powerful enough to prevent camphor workers from advancing very far into the forests. Some camphor districts also shut down because the prices paid by the Monopoly Bureau did not cover expenses. In order to remedy this state of affairs the Camphor Bureau Authorities decided to increase the price in nearly all the producing districts, and this was done in February of this year (1906).

The average increase for the 10 districts represents about 4s. for camphor and 2s. for camphor oil per picul (133½ lbs.), the largest increase being for the camphor from Shinchiku, for which an additional 13s. will be paid, while 6s. will be added to the former price of oil. It is also reported that the sum to be expended on policing the savage border, which was over 50,000l. last year, is to be increased.

I am indebted to the courtesy of one of the local tea firms for the following notes on the tea trade of the year under review :—

ARRIVALS.

Year.	Number.	
	Oolongs.	Pouchongs.
	Half-chests.	Half-chests.
1905-06	480,200	113,000
1904-05	452,000	90,000
Increase	28,200	23,000

Last year's crop was short, so the real increase on an average crop is not large.

The spring crop was below the average, but summer teas were of good quality and were bought at reasonable figures compared with the very high prices paid for undesirable spring and early summer teas; the feature of the season was the very high rate of silver, which made it difficult to place teas in America, the market there not responding as in the previous season.

Shipments to London nearly reached the same figure as last year (which were very large), viz., 10,888 half-chests against 11,120 half-chests. There seems no reason why the export should not increase in this direction.

The Japanese Government factory made more tea this year, but it was chiefly sent as gifts to the Russian officers imprisoned in Japan.

Shipments of Oolongs viâ Kelung, again increased, as is shown in the following table :—

Shipments of Oolongs.	Number.	
	1905.	1904.
From—	Half-chests.	Half-chests.
Tamsui to Amoy	276,810	299,204
Kelung to America—		
Viâ Pacific	82,141	41,744
„ Suez	113,050	95,249
Kelung to Japan	8,948	16,024
Total	480,949	452,821

A new feature was the shipment of 9,539 half-chests of Pouchongs, viâ Kelung, in Dutch steamers to Java. Hitherto this kind of tea had always been shipped viâ Amoy.

Rice. The total export of rice again showed a very large increase, more than 14,000 tons over the preceding year, although the amount sent to foreign countries was much less than in 1904; the figures for that year, however, were quite abnormal as large shipments went to Manchuria for the use of the Japanese forces. Nearly all the rice this year has gone to Japan, where there was a good demand, but the exporters seem to make only small profits, although the Formosan producer doubtless obtains satisfactory results.

Gold mines. In the trade report on North Formosa for the year 1902, a short description was given of the quartz and placer mining in the Kelung district. Since then the Kyufun, Kinkwaseki and Botanko mines have enlarged their plant considerably and now produce 62,730 ozs. of gold, valued at 201,800l., as against 28,946 ozs., worth 108,622l., in 1902. The average quantity of ore treated per month by the three mines is 5,200 tons, the gold being obtained by amalgamation and the cyanide process; the number of hands employed is about 2,500, of whom 1,100 are Japanese and the rest natives, while the average daily wage for Japanese miners is 2s. 0½d. and 1s. 2½d. for natives, and 1s. 5d. for Japanese mill hands and 10d. for natives.

The future of the quartz mining industry is very bright and the output should increase considerably in the near future, but the results from placer mining are growing less year by year, and only 3,000 ozs. are now obtained compared with 19,000 ozs. three years ago.

The movements of specie and bullion during 1904 and 1905 were as follows :—

Movements of specie and bullion.

From and to—	1905.		1904.	
	Gold Coin and Bullion.	Silver Coin and Bullion.	Gold Coin and Bullion.	Silver Coin and Bullion.
	£	£	£	£
China and Hong-Kong—				
Imports.. ..	785	45,650	15,600	35,900
Exports.. ..	7,650	117,800	200	124,300
Japan—				
Imports.. ..	255,390	50,530	114,780	38,100
Exports.. ..	210,677	19,292	185,900	..

With the exception of about 9 miles between Hakkoko and Koroton, where some extensive bridging work still remains to be done, the line connecting Kelung in the north and Takow in the south is complete. The journey between the capital Taihoku and Tainan, the largest city in the south, can now be accomplished in 14 hours, including the time spent in getting from Hakkoko to Koroton by trolley. The railway authorities therefore contemplate erecting a good foreign hotel at the capital, for they consider that if only suitable accommodation were provided for travellers, many of them, now that communication between north and south is easy, might make a visit to Formosa which, beautiful and interesting though it is, has so far failed to attract the globe trotter and the money that he leaves behind him.

Government railways.

During 1906 work will be commenced on the bridges that remain to be constructed, and they should be completed in about two years' time. Okura and Co., a Japanese firm, were the successful tenderers for the supply of most of the bridging materials, which will come from the United States.

During the past year, owing to lack of funds, very little was done at Kelung in the way of improving the inner harbour. About 17,000*l.* were spent in reclaiming ground and in dredging, but the sum was too small to allow of much work being done in either direction.

Kelung Harbour works.

It is to be hoped, however, that great improvements will be carried out in the near future. The idea of the breakwater seems to have been abandoned, but a sum of over 600,000*l.* spread over the next seven years is to be devoted to dredging, to removing some rocky islands within the inner anchorage, to making quays and wharves and to erecting godowns, cranes, &c., so that proper facilities for the increasing trade of the harbour will be afforded, and accommodation found within the inner anchorage for at least 13 vessels of about 6,000 tons each—five vessels to be moored alongside the wharves and eight vessels to buoys.

The inner harbour will then have a water area of 110 acres with a depth of 30 feet at low water, while the anchorage for junks and steam launches will have an area of 16 acres with a depth varying from 12 to 30 feet.

Even with its present disadvantages, Kelung has increased its trade so rapidly during the past few years that it appears certain to become the premier port of Formosa when the projected improvements have been carried out and large vessels can find a safe anchorage and cargo can be easily and quickly handled.

Shipping.

Annexes IV, V and VI show the figures for all shipping entered and cleared at Tamsui and Kelung during the years 1903-05.

Tamsui.

The principal feature in the shipping business at Tamsui during 1905, and one which is much to be regretted, is the great reduction in British shipping. In 1904, 44 vessels of 34,595 tons entered, while last year the number was only 21, of 13,638 tons, and this year the total will be still less. This decrease is due to the fact that after August the Douglas Steamship Company, which had maintained a service between this island and Hong-Kong for the past 30 years, decided to discontinue running their steamers, the chief reason for doing so being that they could not obtain a large enough share of the tea-carrying trade to make the line remunerative. The Japanese Company, thanks to their Government subsidy, could always take tea at 1 sen per half-chest less than the British line, and while this tended to keep down rates, the increased export of tea via Kelung, which has been touched upon elsewhere, reduced the amount leaving Tamsui.

It is interesting to note that in spite of the advent of the Russian Fleet to Far Eastern waters in the earlier part of the year, communication between this island and Hong-Kong, China and Japan was never interrupted. It was mostly maintained then by chartered steamers, but in the latter part of the year the Osaka Steamship Company replaced the Norwegian vessels on the Hong-Kong line with their own boats, although a new service which was commenced in April between Foochow, Amoy and Tamsui was kept up till the close of the year by a small German chartered vessel.

Kelung.

At Kelung the shipping is divided into (a) that with foreign countries and (b) that with Japan.

(a) The total number of ships engaged in the foreign trade has increased by 1 only, although the tonnage has risen by 13,000 tons. British shipping, which in 1904 represented more than 50 per cent. has decreased by 4 vessels and 4,000 tons, and is now only 42 per cent., while the United States and German shipping increased by 2 vessels and 9,000 tons and 1 vessel and 800 tons respectively. Dutch steamers running between Java and Japan now visit Kelung, and the Dutch flag appears for the first time represented by 3 vessels of 7,384 tons.

Besides the ships engaged in the foreign trade of Kelung, 5 steamers of British nationality and 1 of Norwegian came in for bunker coal.

(b) The number and tonnage of vessels entering from Japanese ports show an increase over 1904 of 18 ships and 42,000 tons, but the figures are still below those for 1903, when the trade was carried on entirely in Japanese bottoms.

Since peace was concluded the chartered steamers which were in most cases small and slow have been replaced by larger and faster Japanese vessels, but a really quick service between Kobe and Kelung, which is badly needed, is still wanting.

The latest returns of the population give the following figures :—

Population
Formosa.

	Number.		
	Males.	Females.	Total.
Japanese	32,064	21,301	53,365
Natives	1,558,420	1,357,564	2,915,984
Savages	53,174	51,160	104,334
Chinese and other foreigners..	5,694	315	6,009
Total	1,649,352	1,430,340	3,079,692

The number of foreign residents in this district in 1905 was 44, of whom 25 were British and 10 were citizens of the United States.

The yen has been taken as equivalent to 2s. 0½d.

Exchange.

Annex I.—RETURN of Principal Articles of Import into Tamsui and Kelung during the Years 1905-1904.

Articles.	1905.		1904.		Average, Five Years 1900-04.	Increase or Decrease in 1905 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.		1904.	Average, Five Years.	
Oil—								
Kerosene ..	2,032,490	£ 46,040	2,773,381	£ 76,087	£ 67,333	— 30,047	— 21,298	413,650 gallons in bulk, the rest in cases. Nearly all to Tamsui, about 1,000% worth from Japan to Kelung
Other kinds ..	..	18,653	..	20,407	14,983	— 1,754	+ 3,720	
Opium—								
Benares ..	117,333	95,510	192,000	155,709	79,755	— 60,199	+ 15,755	No Patna opium was imported in 1905, but in previous years, it was included with Benares under the heading of British India.
Persian ..	95,237	70,064	224,533	142,861	147,173	— 72,797	— 77,109	Chiefly from United Kingdom to Tamsui. Business is almost entirely in native hands
Turkish ..	60,331	31,174	..	..	..	+ 31,174	+ 31,174	From China
Cotton goods—								
Grey shirtings ..	1,551,382	15,016	1,705,318	15,846	13,551	— 830	+ 1,465	All from United Kingdom to Tamsui
White ..	2,093,159	28,812	2,025,951	27,038	23,440	+ 1,774	+ 5,372	From Japan: this import, which received a temporary check last year owing to the war, has resumed its onward progress at the expense of foreign goods
Nankeen cloths ..	282,344	5,076	303,980	4,834	13,493	+ 242	— 8,417	
Cotton sateens ..	668,442	25,719	705,593	23,169	17,309	+ 2,550	+ 8,410	
Other kinds ..	..	12,133	..	11,984	7,111	+ 149	+ 5,022	
Piece-goods and cotton tissues	..	139,007	..	90,505	67,962	+ 48,502	+ 71,045	

Cotton yarns	7,005	..	7,291	4,207	-	286	+	2,798	From China and Japan
Raw cotton ..	Cwts. ..	7,090	2,204	5,802	8,420	+	1,788	+	3,670	
Silk tissues ..	..	6,963	..	14,148	11,048	-	7,190	-	4,096
Woolen goods—										All from United Kingdom to Tamsui
Camlets, lastings and	Sq. yds.	5,320	121,218	3,864	6,339	+	1,456	-	1,019	
crape lastings										Including tea-lead in sheets from United Kingdom and pig-lead from Australia. Decrease is due to large stocks having been imported beforehand in anticipation of a temporary blockade
Metals—										
Lead ..	Cwts. ..	7,358	16,318	11,885	11,006	-	4,527	-	3,738	
Other, and manufac-										Although some of the items show a decrease, provisions on the whole, especially those from Japan, have increased: the difference is chiefly one of classification
tures of										
Machinery ..	..	76,831	..	44,165	40,011	+	32,666	+	36,820
Railway materials	11,160	..	8,170	9,057	+	2,990	+	2,103	Although some of the items show a decrease, provisions on the whole, especially those from Japan, have increased: the difference is chiefly one of classification
" sleepers ..	..	6,744	..	22,707	17,882	-	15,963	-	11,138
Provisions—	..	6,713	..	3,363	3,180	+	3,350	+	3,533	
Fish—										Although some of the items show a decrease, provisions on the whole, especially those from Japan, have increased: the difference is chiefly one of classification
Dried or salted ..	..	29,982	..	54,617	35,491	-	24,685	-	5,509
Other ..	..	24,010	..	24,788	12,262	-	778	-	11,748
Tinned provisions	5,788	..	7,395	6,893	-	1,607	-	1,105	1,883 tons, worth 23,300%, came from Japan to Kelung; the balance was Chinese rice, of which 18,500% went to Tamsui and 15,700% worth to Kelung. Decrease due to heavy crops of Formosan rice
Vermicelli ..	Cwts. ..	6,549	14,073	8,426	6,583	-	1,879	-	34	
Other kinds ..	..	69,300	..	23,820	25,840	+	45,480	+	43,460
Rice ..	Tons ..	57,549	17,857	114,525	86,673	-	56,976	-	29,124	

Annex I.—Return of Principal Articles of Import into Tamsui and Kelung during the Years 1905–1904—continued.

Articles.	1905.		1904.		Average, Five Years, 1899-1903.	Increase or Decrease in 1904 compared with—		Remarks.	
	Quantity.	Value.	Quantity.	Value.		1903.	Average, Five Years.		
Sundries—	£	£	£	£	£	£	£		
Beans ..	..	17,640	..	12,499	14,639	+	5,141	+ 3,001	All from Japan. The Hong-Kong cement though superior, cannot compete with the Japanese article, as besides being dearer, it sets too slowly to suit local requirements
Beer ..	..	11,767	..	10,305	12,885	+	1,462	— 618	
Cement ..	..	9,283	..	16,351	16,626	—	7,068	— 7,343	
Clothing and accessories	..	28,857	..	18,550	12,741	+	10,307	+ 16,116	About 6,000% from Corea, 5,000% from United States, and the rest from China. Nearly all to Tamsui Mostly German and Japanese. More than half come via Tamsui Chiefly from United States From China
Coal and coke	..	5,043	..	1,972	2,044	+	3,071	+ 2,989	
Drugs—	12,287	15,903	12,477	12,156	7,961	+	3,747	+ 7,942	
Ginseng ..	..	41,590	..	35,232	18,313	+	6,358	+ 23,277	
Other drugs ..	..	31,780	52,044	26,180	26,291	+	5,600	+ 5,489	
Flour ..	54,806	6,350	..	6,041	4,314	+	309	+ 2,086	
Glassware ..	..	3,073	254,883	4,814	5,581	—	1,741	— 2,506	
Grass-cloth, &c. ..	118,286								

FORMOSA.

Gunny and hemp bags		Number.	852,865	18,794	527,981	11,287	3,909	+	7,507	+	14,885	About 12,000% worth of gunny bags from India. Hemp bags from Japan. This item will probably disappear in the near future, as a factory to work the native hemp has been started at Taichū from Japan to Kelung Japanese saucers. All to Kelung
Matches..	..	..	..	13,750	..	15,917	17,425	-	2,167	-	3,675	4,000% worth of "joss" paper Mostly from Japan to Kelung
Miso and soy	..	..	..	17,108	..	15,422	16,704	+	1,686	+	404	
Paper—												
Chinese	..	..	..	33,956	..	29,168	29,443	+	4,790	+	4,513	
All other kinds	..	..	..	33,000	..	30,163	19,043	+	2,837	+	13,957	
Pigs	..	Head ..	11,872	24,456	16,270	23,327	40,220	+	1,129	-	15,764	
Porcelain and earthen-ware	..	..	..	7,416	..	9,117	8,982	-	1,701	-	1,566	
Saké	..	..	..	42,586	..	43,844	47,437	-	1,258	-	4,851	Almost all the sugar imported in 1905 came from Japan, the high duty and consumption tax making foreign sugar too expensive for this market
Sugar	..	Owts. ..	20,501	30,573	24,046	22,598	24,922	+	7,975	+	5,651	
Tea-box boards	..	..	..	13,722	..	10,418	9,483	+	3,304	+	4,239	From Japan " China
Timber ..	..	..	..	75,677	..	81,389	92,596	-	5,712	-	16,919	
Tobacco and cigarettes	..	..	..	68,555	..	44,506	60,980	+	24,049	+	7,575	
" leaf ..	..	Lbs. ..	2,542,688	38,203	..	24,005	18,880	+	14,198	+	19,323	
Miscellaneous ..	..	..	..	340,508	..	312,489	381,708	+	28,019	-	41,200	
Total ..	..	..	..	1,745,146	..	1,740,651	1,624,669	+	4,495	+	120,477	

Annex II.—RETURN of Principal Articles of Export from Tamsui and Kelung during the Years 1905-1904.

Articles.		1905.		1904.		Average, Five Years 1900-04.		Increase or Decrease in 1905 compared with—		Remarks.
		Quantity.	Value.	Quantity.	Value.	Value.	1904.	Average, Five Years.		
Camphor	..	3,897,489	£ 278,941	4,512,925	£ 318,534	£ 302,921	£ — 44,598	£ — 28,980	The United States took about 30 per cent., a few thousand piculs went to outside markets and the balance to Europe To Japan only Chieffy hats made of the Taika rush to Japan Prices are still unsatisfactory. Cost of production and high freights render competition difficult with other producing countries, notably Japan	
oil	..	8,438,709	118,056	4,432,534	128,717	112,678	— 10,662	+ 5,377		
Coal	..	39,072	16,836	80,002	13,394	11,499	+ 3,442	+ 5,337		
Tee—	..									
Oolong	..	19,255,156	553,968	18,653,161	563,243	536,147	— 6,275	+ 20,821		
Pouchong	..	8,946,977	91,156	8,328,208	74,654	62,198	+ 16,502	+ 28,958		
Flax, hemp, hemp-	..	882,351	11,173	806,056	8,862	8,921	+ 2,311	+ 2,262		
skins and jute	..									
Hats	..	7,281	8,353	5,646	5,457	2,103	+ 2,896	+ 6,250		
Hides	..	291,714	3,341	288,297	2,616	4,461	+ 725	— 1,120		
Matches	..	88,567	2,870	121,465	4,272	2,900	— 1,402	— 30		
Rice	..	47,907	313,180	33,402	219,397	150,327	+ 93,788	+ 162,853		
Sugar	..	1,650,181	14,480	724,285	6,931	7,101	+ 7,549	+ 7,379		
Sulphur	..	2,794	9,017	2,093	6,716	5,567	+ 2,801	+ 3,450		
Miscellaneous	..	..	71,152	..	130,274	69,557	— 59,122	+ 1,595
Total	..	..	1,490,522	..	1,483,067	1,276,380	+ 7,455	+ 214,142

Annex III.—COMPARATIVE Table of Imports and Exports at
Tamsui and Kelung from and to Japan and Foreign
Countries during the Years 1904-05.

Trade with—	1905.			1904.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Foreign countries—						
Tamsui	707,230	618,270	1,325,500	845,793	620,864	1,466,457
Kelung	59,727	309,782	369,509	113,447	351,896	465,343
Total	766,957	928,052	1,695,009	959,240	972,560	1,931,800
Japan—						
Tamsui	3,437	8,990	12,417	...	...	...
Kelung	974,752	553,490	1,528,242	781,411	510,507	1,291,918
Total	978,189	562,470	1,540,659	781,411	510,507	1,291,918
Grand total ...	1,745,146	1,490,522	3,235,668	1,740,651	1,483,067	3,223,718

Annex IV.—RETURN of all Shipping engaged in Trade of Tamsui
during the Years 1903-05.

ENTERED.

Nationality.	Year.	Steam.		Sailing.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1903	40	28,024	..	..
	1904	44	34,595	..	..
	1905	21	13,633	..	..
Japanese	1903	56	48,104	..	..
	1904	9	6,328	..	..
	1905	18	15,907	..	..
German	1904	25	24,160	..	..
	1905	32	21,898	..	..
Norwegian Japanese charter	1904	22	19,612	..	..
	1905	31	28,590	..	..
Dutch	1905	1	1,085	..	..
Chinese and Japanese junks	1903	..	..	579	21,529
	1904	..	..	521	22,379
	1905	..	..	399	19,710
Total	1903	96	76,128	579	21,529
	1904	100	84,695	521	22,379
	1905	103	80,618	399	19,710
Grand total, steam and sailing	1903	675	97,657	..	..
	1904	621	107,074	..	..
	1905	502	100,328	..	..

CLEARED.

Nationality.	Year.	Steam.		Sailing.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1903	40	28,024	..	..
	1904	44	34,595	..	..
	1905	21	13,638	..	..
Japanese	1903	59	50,809	..	..
	1904	6	5,239	..	..
	1905	18	16,766	..	..
German	1904	23	22,207	..	..
	1905	33	22,364	..	..
Norwegian	1904	22	19,612	..	..
	1905	30	27,700	..	..
Dutch	1905	1	1,085	..	..
Chinese and Japanese junks	1903	..	..	625	23,235
	1904	..	..	521	20,944
	1905	..	..	413	20,118
Total	1903	99	78,833	625	23,235
	1904	95	81,653	521	20,944
	1905	103	81,553	413	20,118
Grand total, steam and sailing	1903	724	102,068	..	..
	1904	616	102,597	..	..
	1905	516	101,671	..	..

**Annex V.—RETURN of all Shipping engaged in Trade of Kelung
during the Years 1903–05.**

ENTERED.

Nationality.	Year.	Steam.		Sailing.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1903	7	17,037	..	..
	1904	18	43,618	..	..
	1905	14	39,713	..	..
Japanese	1903	2	1,972	..	..
United States.. ..	1903	2	3,801	..	..
	1904	2	6,449	..	..
	1905	4	15,575	..	..
German	1904	10	22,463	..	..
	1905	11	23,201	..	..
Dutch	1905	3	7,984	..	..
Other nationalities ..	1903	1	2,933	..	..
	1904	2	2,340	..	..
	1905	1	2,428	..	..
Chinese and Japanese junks	1903	..	..	366	14,128
	1904	..	..	403	16,118
	1905	..	..	261	12,812
Total	1903	12	25,743	366	14,128
	1904	32	74,869	403	16,118
	1905	33	88,301	261	12,812
Grand total, steam and sailing	1903	378	39,871	..	..
	1904	435	90,937	..	..
	1905	294	101,113	..	..

CLEARED.

Nationality.	Year.	Steam.		Sailing.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1903	6	14,548	..	..
	1904	19	45,218	..	..
	1905	14	39,713	..	..
Japanese	1903	1	998	..	..
United States.. ..	1903	2	3,801	..	..
	1904	2	6,448	..	..
	1905	4	15,575	..	..
German	1904	10	23,252	..	..
	1905	11	23,201	..	..
Dutch	1905	3	7,384	..	..
Other nationalities ..	1903	1	2,933	..	..
	1904	2	2,340	..	..
	1905	1	2,428	..	..
Chinese and Japanese junks	1903	..	..	371	13,948
	1904	..	..	401	16,163
	1905	..	..	275	13,193
Total	1903	10	22,280	371	13,948
	1904	33	77,258	401	16,163
	1905	33	88,301	275	13,193
Grand total, steam and sailing	1903	381	36,228	..	..
	1904	434	93,421	..	..
	1905	308	101,494	..	..

Annex VI.—RETURN of Shipping engaged in Trade between Japan and Kelung during the Years 1903-05.

Nationality.	Year.	Entered.		Cleared.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Japanese	1903	166	217,368	137	180,840
	1904	62	59,411	62	56,794
	1905	97	123,827	82	105,812
British	1904	13	20,987	11	17,814
	1905	14	20,799	8	12,768
German	1904	47	65,974	36	49,969
	1905	26	32,244	17	23,250
Norwegian	1904	7	7,005	6	6,234
	1905	12	10,370	7	4,372
Swedish	1905	8	7,912	6	5,934
Total	1903	166	217,368	137	180,840
	1904	129	153,377	115	130,811
	1905	157	195,152	120	152,136

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No. 3803 Annual Series.

DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1906

ON THE

TRADE OF NORTH FORMOSA.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 3646.

Presented to both Houses of Parliament by Command of His Majesty,
MAY, 1907.

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1907.

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Reference to previous Report, Annual Series No. 3646.

Report on the Trade of North Formosa for the Year 1906

By MR. CONSUL A. M. CHALMERS.

The total trade of North Formosa for the year 1906 amounted to Trade of 3,671,870*l.*, showing an increase of 265,662*l.* as compared with 1905. the year. The imports into Tamsui, which are almost entirely from foreign countries, and those into Keelung, which are principally from Japan, each show an increase of about 150,000*l.* The total exports from these two ports, on the other hand, show a decrease of 14,008*l.*, in spite of a considerable increase in the export of sugar and rice to Japan. The decrease in exports is principally due to a falling-off in the shipments of Oolong tea to the extent of 140,557*l.*

As regards the four minor ports of Kiukong, Oolong, Tokaku and Lukong (Rokko), which are only open to junk trade, the total trade for the year, amounting to 141,847*l.*, shows a falling-off of 28,693*l.* The chief items of trade at these minor ports are the export of rice (about 26,000*l.*) and flax, hemp and jute (about 33,000*l.*) to China, and the import of various Chinese commodities, such as grass cloth (about 12,000*l.*) and joss paper (about 16,000*l.*).

The following table gives the figures for the trade of the six ports of North Formosa for the years 1904-06.

COMPARATIVE Table of Imports and Exports for North Formosa during the Years 1904-06.

	Value.			Increase or Decrease in 1906 as compared with 1905.
	1906.	1905.	1904.	
	£	£	£	
Imports—				
Tamsui	865,825	710,667	845,793	+ 155,159
Keelung	1,187,684	1,034,479	894,858	+ 153,205
Other ports	72,154	75,822	88,352	— 3,668
Total	2,125,663	1,820,968	1,829,003	+ 304,695
Exports—				
Tamsui	591,873	627,250	620,664	— 35,377
Keelung	884,641	863,272	862,403	+ 21,369
Other ports	69,693	94,718	93,382	— 25,025
Total	1,546,207	1,585,240	1,576,449	— 39,033
Grand total	3,671,870	3,406,208	3,405,452	+ 265,662

It is worthy of remark that there was no special increase in imports in anticipation of the increased import tariff which came into force in October, 1906, but the higher duties have had the effect of increasing the demand for Japanese goods, which enter duty free, at the expense of foreign goods. Imports have also suffered owing to the low prices obtained for Oolong teas, the principal article of export.

The following table shows the figures for the total trade of the whole Island of Formosa, both with Japan and with foreign countries during the years 1905-06 :—

Trade of
the whole
island.

TRADE of the whole Island.

				Value.		
				Foreign Countries.	Japan.	Total.
				£	£	£
1904—						
Imports	....	....	....	1,337,335	1,057,950	2,395,285
Exports	....	....	....	1,290,741	1,086,594	2,377,335
Total	....	....	....	2,628,076	2,144,544	4,772,620
1905—						
Imports	....	....	....	1,119,229	1,376,473	2,495,702
Exports	....	....	....	1,092,817	1,394,611	2,487,428
Total	....	....	....	2,212,046	2,771,084	4,983,130
1906—						
Imports	....	....	....	1,300,384	1,595,984	2,896,368
Exports	....	....	....	998,424	1,863,959	2,862,383
Total	....	....	....	2,298,808	3,459,943	5,758,751

While foreign exports show a tendency to decrease year by year and foreign imports remain about stationary, the trade with Japan is increasing rapidly, more especially in exports from Formosa. The growing exports are principally raw sugar and rice, the chief imports from Japan being cotton goods and piece-goods.

The trade with foreign countries is divided roughly as follows:—

Imports.—China, 50 per cent.; United Kingdom (figures for Ireland are not given separately), 11 per cent.; India and the Straits Settlements, 16 per cent.; United States, 6 per cent.

Exports.—China, 50 per cent.; United States, 24 per cent.; Hong-Kong, 18 per cent.; the United Kingdom, 7 per cent.

Annex I of this report is a return of the principal articles of import into Tamsui and Keelung. The items in the table showing marked increases are kerosene oil, opium, cotton goods, Japanese piece-goods, timber and leaf tobacco. Those showing decreases are rice, Chinese paper, and prepared tobacco and cigarettes. Imports.
Annex I.

The total import of kerosene oil was 2,473,734 gallons, valued at 55,359%. Of this total 1,094,234 gallons was case oil from America, 890,264 was bulk oil from Sumatra and 489,236 gallons was Echigo oil from Japan. The import from Japan has largely increased in 1906, and is valued at 13,150% against 1,038% in 1905. It is a cheap inferior oil, which the Formosan natives mix with the oils imported from America and Sumatra and sell as the foreign import. This practice seems to have resulted in a reduction in the import of the American brand, which is the most expensive, and an increase in the Sumatra bulk oil.

Benares opium continues to hold its ground against all comers in spite of the various experiments made by the Monopoly Bureau

(62)

with Persian, Turkish and finally Chinese opium, the latter being imported this year for the first time since 1900. The customs returns of the opium import are quite at variance with those of the Monopoly Bureau, and as the article is duty free and under official control, the return made by the Bureau and given herewith is probably the more correct :—

				Quantity.	Value.
				Lbs.	£
Benares	....	....	....	226,666	145,073
Patna	....	....	....	43	31
Persian	....	....	....	57,268	35,232
Turkish	....	....	....	155,474	80,273
Chinese	....	....	....	78,864	40,237
Total	....	....	....	518,313	300,846

The customs return gives a total of 581,318 lbs. valued at 343,383*l.*

The number of opium smokers appears to be slightly decreasing, there having been 123,650 at the end of 1906 against 131,272 in December, 1905. This decrease, however, appears to be mainly among the poorer classes, as among smokers of first-class opium there has been an increase, and there is little diminution in the actual value of the opium consumed. It is estimated that 4 per cent. of the native Chinese are smokers, the proportions in the two sexes being 1 male in every 14 and 1 female in every 100.

Cotton goods
and piece-
goods.

There is a marked increase in the import of all classes of cotton goods, about 75,000*l.* worth of white and grey shirtings and cotton sateens coming from the United Kingdom. The largest increase, however, is in miscellaneous cotton goods, which come almost entirely from Japan. The import of piece-goods and cotton tissues, also from Japan, continues to advance in favour and shows an increase of 4,442*l.* in value over the very respectable total of last year.

Rice.

The rice import consists mostly of Japanese rice for Japanese consumption, and Chinese rice arrives in ever diminishing quantities.

Tobacco leaf.

The import of tobacco leaf from China continues to increase at the expense of prepared tobacco and cigarettes from Japan. The consumption of manufactured and cut tobacco in the island is estimated at 3,300,000 lbs. annually, to make which about 4,000,000 lbs. of the imported leaf, which is of very low grade, are required.

The Monopoly Bureau is encouraging the growth of tobacco in the island, and bought up 360,000 lbs. of Formosa grown leaf in 1906 at prices which were sufficiently remunerative to induce a number of new applicants to apply for permits to grow tobacco.

Exports.
Annex II.

The export trade of the year 1906 is marked by a further large increase in the export of rice and sugar, while Oolong teas show a lamentable decrease for the year.

Camphor.

The export of camphor, though increased in value, shows a decrease in quantity as compared with 1905.

Strenuous efforts are being made by the authorities to enable Formosa, as the chief camphor producing country, to meet the world's growing demand for this commodity. Active measures have been taken during the last two or three years to bring under subjection the head-hunting savages who inhabit the forest regions and terrorise the Chinese natives engaged in collecting the raw camphor. Except in the savage territory the camphor trees are nearly exhausted, but vast forests still remain unexplored in the mountains, and during 1906 it is estimated that 46 square ri (287 square miles) of forest and arable land have been wrested from the savages. From all directions the police cordon round the aborigines is being drawn gradually closer, and in a very few years there should be free access to all parts of the interior of the island.

Another innovation, which should largely increase the production of camphor, is the process of extracting it from leaves and twigs, instead of from the trunks of the trees, as has been the case hitherto. The quality thus obtained is said to be in no way inferior to that produced from the matured trees. For this purpose the Government is encouraging the laying out of camphor plantations, the advantage of this process being that profits are realisable in the fourth year after the trees are planted, and increase annually. It is estimated that about 2 lbs. weight of camphor can be obtained from 100 lbs. of leaves, and that after the fourth year 120 lbs. can be obtained from 1 ko ($2\frac{1}{2}$ acres) of plantation. This quantity is doubled after the eighth year.

The supply of raw material should thus be largely increased, but there is difficulty in finding a sufficient number of qualified workmen, as the process of distilling and manufacturing requires considerable skill and experience. Steps are, however, being taken to meet this difficulty, as well as to improve the stills, in order to further increase the output.

Since the enforcement of the monopoly law in 1902 the price of refined camphor has risen from 88 yen (about 9*l.*) for 1 picul (133½ lbs.) to 120 yen (12*l.* 5*s.*) now, the price in Europe for the same quantity being about 25*l.*

The Oolongs tea market opened during the third week in May Tea.
under depressing conditions. The principal consuming market Oolongs.
(United States) had large supplies of the previous season's teas, which could only be disposed of at heavy losses.

The quality of first crop teas was decidedly inferior to that of the previous season. The summer and autumn crop teas (other than those which had been mixed with early leaf), however, showed fair quality and in many cases were appreciated in the consuming market. Finest grades were in short supply, which may be accounted for by lack of the usual rain during the month of June. Cold, rainy weather in the beginning of November brought the season to a close earlier than usual.

Prices paid by foreign buyers were lower than in the previous year, and Chinese packers and growers are supposed to have had an un-

profitable year; and shipments do not give satisfactory results. While the heavy export and likin duty of 4 yen per picul (8s. 2d. per 133½ lbs.) is imposed, it will be difficult for Formosan teas to compete on the consuming market with their more favoured rivals from Ceylon and India.

Arrivals for the season were 464,800 half chests, against 480,200 in 1905.

Shipments to London again show an increase, being 454,174 lbs., against 435,438 in 1906.

The following table gives the shipments of Oolongs from Tamsui viâ Amoy, and from Keelung, showing that the export from Keelung has again increased and now exceeds that of Tamsui by 662,437 lbs. :—

Shipments of Oolongs.	Quantity.	
	1906.	1905.
From—	Lbs.	Lbs.
Tamsui to Amoy	8,366,620	10,865,256
Keelung to America—		
Viâ Pacific	4,748,280	3,321,391
„ Suez	4,056,240	4,432,951
Keelung to Japan	224,531	250,957
Total	17,395,677	18,870,555

The slight discrepancy between this total and the customs returns is due to the fact that each half chest contains 1 or 2 lbs. more than the invoice weight, the above being the invoice weights.

Poochongs.

Poochong tea, which is consumed principally in the Straits Settlements and Java, shows a slight increase (15,860l.) over last year. Buyers of this kind of tea were favoured during the early part of the season by the unwillingness of foreign buyers to be interested in the inferior spring crop teas. Except 83,880 lbs. shipped by a Dutch steamer viâ Keelung to Java, the whole export was shipped from Tamsui to Amoy.

Rice.

The export of rice from the Island of Formosa to Japan shows an enormous increase since 1902, with a corresponding decrease in the export to foreign countries. The figures are :—

Year.	Values.	
	To Japan.	To other Countries.
	£	£
1902	164,169	196,586
1903	499,173	87,236
1904	361,836	258,920
1905	541,127	60,578
1906	728,198	28,438

The export from Tamsui and Keelung alone increased by 53,665*l*.

On the whole prices showed a fair profit and producers did well. The very large increase in the export to Japan in 1906 is partly due to the famine in Northern Japan, but also to a general rise in the Japan market, the Formosan rice being mixed with Japanese to reduce the price. As a rice-exporting country Formosa is developing, and the area of land available for rice cultivation is annually growing larger as the regions infested by the savages become more restricted.

The export of raw sugar to Japan shows an increase of 34,846*l*.; Raw sugar. the values being 49,326*l*. in 1906 against 14,480*l*. in 1905. The export from Keelung is, however, only a small fraction of the export of the whole island, valued at over 850,000*l*., the principal port of export being Anping in the south.

The movements of specie and bullion during 1905 and 1906 were as follows :— Specie and bullion.

From and to—	1906.		1905.	
	Gold.	Silver.	Gold.	Silver.
	£	£	£	£
China and Hong-Kong—				
Imports....	....	2,483	785	45,650
Exports....	6,438	216,116	7,650	117,800
Japan—				
Imports....	9,830	30,625	255,380	50,530
Exports....	191,321	20,417	210,677	19,292

The principal coal and gold mines of the island are situated in the Keelung district. According to investigations made by the Keelung local office, the output for that district for the first six months of 1906 was as follows :— Mines.

		Quantity.	Value.
			£
Coal	Tons	29,643	9,820
Gold	Ozs.	36,792	103,849

Copper ore has been discovered at the Kinkwaseki gold mines, Keelung district, and, as work has been commenced on it, the output should appear in the next return.

There are at present four gold mines and 21 coal mines. Of the latter, however, the majority are merely tunnels dug into the side of the mountains, and there are only two or three mines which produce coal of good quality. The Denryoko coal mine, which is said to be the best, produced only 8,274 tons in 1905, the total output in the island for that year being estimated at only about 84,000 tons.

Currency.

The bank of Taiwan has had the power of issuing paper notes in the island since 1899. Till 1905 these notes were payable in silver, but they have been recently withdrawn, and only about 3,000*l.* were in circulation on December 31, 1906. The amount of gold notes in circulation on the last mentioned date was 8,220,000 yen (about 839,000*l.*).

Government railways.

The work on the 9 miles of railway between Hakkoko and Koroton which still remain to be completed in order to connect up the through service from the north to the south of the island, has made good progress in 1906. On the north side the line which branches off from Sansaho, 5 miles north of Hakkoko (passing 2 miles distant from the latter place) has been completed as far as the Taiankei River. Owing to delay in the arrival of the iron bridge girders for this river a temporary bridge is, in 1907, to be thrown across, and freight and passengers will be taken as far as Korisho. The remaining section from Korisho to Koroton is to be completed in 1907, the work to be done consisting of the iron bridge across the Taikoeki River and the lining of the tunnel at the south side of the bridge. The boring of the tunnel has been completed.

In May last the survey of a new railway line from the capital to Gilan, connecting the west with the east of the island, was commenced. By October 24 miles had been successfully surveyed, and, this section being the most mountainous and the most dangerous, owing to the track running through the savage country, it is anticipated that the remainder of the survey will be completed early in spring. Railway communication across the island, through the savage country, will be of great importance in completing the pacification of the island, and though several surveys have been made with a view to crossing the central range of mountains, the natural difficulties were in all cases insurmountable. The termini of this line are to be Taihoku, the capital, and So-o, a small port on the east coast, south of Gilan. The length of the line will be about 50 miles.

Keelung harbour works.

In pursuance of a long-projected scheme of harbour improvement at Keelung, on which a sum exceeding 650,000*l.* is to be expended during a period of seven years, work has been commenced on the much required breakwater. The sum available for the fiscal year 1907-08 is 1,022,000 yen (about 105,000*l.*), and in December last two steam pile-driving engines, with a driving force of 1 and 1½ tons respectively, were erected, and, having undergone the usual trials with success, work was at once begun on the breakwater, which is to have a total length of 1,500 feet. The piles for a length of 240 feet were already in position in January, 1907.

The widening and deepening of the fairway for steamers in the inner harbour, which has now a width of at least 480 feet and is 30 feet deep in the narrowest part, have been completed. The anchorage for steamers in the inner harbour also has a uniform depth of 30 feet at least. The necessary workshops and storehouses in connection with these harbour works have been already constructed upon reclaimed land.

The work on the proposed lighthouse on Agincourt Island, an **Lighthouses.** important landmark about 40 miles from Keelung, is to be commenced this year. It is to be a first class lighthouse, the light having a radius of 30 miles, and the work is estimated to cost about 22,400*l*. The construction is to be a cylindrical building of brick, cemented externally. It will be 470 feet above sea level, and the light will be 44 feet above the base of the building.

British shipping at Tamsui has continued to decline, totalling **Shipping.** in 1906 only six vessels with 4,461 tons. The Douglas Steamship **Tamsui.** Company has abandoned its service between this port and Hong-Kong, and the Japanese line, the Osaka Shosen Kaisha, is practically left in full possession of the field. This service is now run by two of the company's steamers of 1,244 tons gross each, sailing weekly. The bar at the mouth of the river, which at the highest tide gives a depth of 17 feet and about 15 feet ordinarily, only admits of small steamers entering, and a moderate swell is sufficient to render it impassable.

Junk traffic again shows a large decrease both at Tamsui and at Keelung.

Trade with Japan was confined to 12 steamers, of which 10 called for rice, hoping to cut the rates of freight to Japan, but it is very doubtful whether they will succeed against the two strong subsidised lines, the Shosen Kaisha and the Nippon Yusen Kaisha.

At Keelung the shipping consists of (a) that with foreign **Keelung.** countries and (b) that with Japan.

(a) The shipping engaged in foreign trade entered at Keelung has increased by 12 vessels and about 56,000 tons. British shipping represents in 1906 about 50 per cent. of the total in number and in tonnage, while five United States vessels entered averaging over 5,000 tons each. This increase in the shipping of Keelung is mainly due to the shipment of Oolong tea from that port, for which purpose many large ocean steamers called in the course of the season, taking cargoes direct to America via the Pacific or via Suez. Shipments of tea were abnormally small in 1906, and it is safe to say that 1907 will show a further increase in the shipping of Keelung.

(b) The shipping between Keelung and Japan in 1906 shows an increase of 115 vessels and 204,217 tons; of the total, Japanese vessels aggregate 254 vessels and 377,267 tons against 97 vessels and 123,827 tons in 1905, showing an increase of 157 vessels and 253,440 tons. Japan in 1906 far exceeded all her previous records, and as in the return for the year a few foreign chartered steamers still appear it is likely that these will also give place to Japanese vessels in 1907:

Population
of Formosa.

The latest available returns of the population (1904) give the following figures :—

	Number.		
	Male.	Female.	Total.
Japanese	32,064	21,301	53,365
Natives	1,558,420	1,357,564	2,915,984
Savages	53,174	51,160	104,334
Chinese and other foreigners	5,694	315	6,009
Total ...	1,649,352	1,430,340	3,079,692

The number of foreign residents in this district in 1906 was 47, of whom 26 were British and 14 were United States citizens.

There is a steady influx of Japanese, both men and women, at the rate of 3,000 to 4,000 a year, and the Chinese native population shows a small annual increase.

Cost of
labour.

The following table shows the average cost of labour in the capital, according to investigations made by the authorities in 1906 :—

Occupation.	Rate of Wages per Diem.	
	Japanese.	Formosan.
	s. d.	s. d.
Carpenters	2 8	1 0
Plasterers	3 1	1 0
Stonemasons	3 1	1 7
Roofers	2 10	1 0
Bricklayers	3 1	1 0
Blacksmiths	2 10	1 1
Founders	2 0½	1 5
Tailors (Japanese clothes)	2 5	....
„ (European clothes)	3 1	1 2
Type-setters	1 10	0 10
Farm labourers (women 4d.) ....	....	0 9
Tea-manufacturing coolies ....	....	0 9
Tea pickers (women only) ....	....	0 4
Miners ....	....	1 2
Common labourers ....	....	0 9

Exchange.

The yen has been taken as equivalent to 2s. 0½d. '.

Annex I.—RETURN of Principal Articles of Import into Tamsui and Keelung during the Years 1905-06.

Articles.		1906.		1905.		Average, Five Years 1901-05.	Increase or Decrease in 1906 compared with—		Remarks.
		Quantity.	Value.	Quantity.	Value.		1905.	Average, Five Years.	
Oil—						£	£	£	
Kerosene	...								See body of report, page 5
Other kinds	...								
Opium—									
Benares	...								Previous to 1905 Benares and Patna opium were included under head- ing India
Persian	...								First import in 1905
Turkish	...								" " 1906
Chinese	...								Chiefly from United Kingdom to Tamsui. Business mostly in native hands
Cotton goods—									From China
Grey shirtings	...								All from United Kingdom to Tamsui
White	...								Almost entirely from Japan to Keelung
Nankeen cloths	...								From Japan to Keelung
Cotton satcens	...								
Other kinds	...								
Piece-goods and cotton tissues									
Cotton yarns	...								
Raw cotton	...								
Silk tissues	...								From China and Japan

RETURN of Principal Articles of Import into Tamsui and Keelung during the Years 1905-06—continued.

FORMOSA.

Articles.	1906.		1905.		Average, Five Years 1901-1905.	Increase or Decrease in 1906 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.		1905.	Average, Five Years.	
Woollen goods—								All from United Kingdom to Tamsui

[illegible]

Annex II.—RETURN of Principal Articles of Export from Tamsui and Keelung during the Years 1905-06.

Articles.	1906.		1905.		Average, five Years 1901-05.		Increase or Decrease in 1906 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Value.	1905.	Average, Five Years.		
Camphor	Lbs.	3,719,192	£ 288,169	£ 273,941	£ 306,604	+ 14,228	- 18,435	About 16 per cent. to Japan, 9 per cent. to United States, and the remainder to Europe via Hong-Kong To Japan only	
Coal	"	3,541,098	121,535	118,055	115,019	+ 3,490	+ 6,516		
Tea—	Tons	33,628	14,022	16,826	12,829	- 2,814	+ 1,193		
Oolong	Lbs.	17,434,989	415,389	556,963	549,320	- 141,579	- 132,981		
Poochong	"	4,297,288	107,016	91,156	67,022	+ 15,860	+ 39,994		
Flax, hemp, hemp skins and jute	"	1,369,826	14,679	11,173	9,969	+ 3,506	+ 4,710		
Hate	Dozen....	24,056	15,501	8,353	6,905	+ 7,148	+ 8,596	Chiefly Taika rush hats to Japan	
Hides	Lbs. ....	...	...	3,341	...	...	...
Matches	Gross....	...	...	2,870	...	...	...
Rice	Tons	51,160	366,815	313,180	206,188	+ 53,665	+ 160,657	Mostly to Japan	
Sugar	Lbs.	7,310,033	49,326	14,480	7,997	+ 34,846	+ 41,329	Keelung to Japan	
Sulphur	Tons	1,816	5,667	9,017	6,171	- 3,350	- 504		
Miscellaneous	....	...	78,365	71,152	84,642	+ 7,213	- 6,277	
Total	....	...	1,476,514	1,490,522	1,371,666	- 14,008	+ 104,848	

Annex III.—COMPARATIVE Table of Imports and Exports at
Tamsui and Keelung from and to Japan and Foreign
Countries during the Years 1905-06.

Trade with—	1906.			1905.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Foreign countries—						
Tamsui	852,220	532,634	1,382,854	707,230	518,270	1,225,500
Keelung	93,866	313,919	407,785	89,727	309,782	399,509
Total	946,086	846,553	1,792,639	796,957	828,052	1,625,009
Japan—						
Tamsui	13,604	81,237	94,841	3,437	8,980	12,417
Keelung	1,093,819	570,724	1,664,543	974,752	553,490	1,528,242
Total	1,107,423	651,961	1,759,384	978,189	562,470	1,540,659
Grand total ...	2,053,509	1,498,514	3,552,023	1,775,146	1,390,522	3,165,668

Annex IV.—RETURN of all Shipping engaged in Foreign Trade
Entered and Cleared at Tamsui during the Years 1904-06.

STEAMERS Entered.

Nationality.	1906.		1905.		1904.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	6	4,481	21	13,638	44	34,595
Japanese	94	59,758	18	15,907	9	6,828
German	3	3,438	32	21,393	25	24,160
Norwegian	5	4,455	31	23,590	22	19,612
Dutch	2	2,172	1	1,085	....	....
Total....	110	74,284	103	80,618	100	84,695
Chinese and Japanese junks....	384	16,829	399	19,710	521	22,879
Grand total	494	91,113	502	100,328	621	107,574

STEAMERS Cleared.

Nationality.	1906.		1905.		1904.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	7	5,353	21	13,638	41	34,595
Japanese	94	58,946	18	16,766	6	5,239
German	3	3,438	33	22,364	23	22,207
Norwegian	4	3,564	30	27,700	22	19,612
Dutch	2	2,172	1	1,085	....	....
Total	110	73,473	103	81,553	95	81,653
Chinese and Japanese junks	395	17,939	413	20,118	521	20,944
Grand total	505	91,412	516	101,671	616	102,597

SHIPPING engaged in Trade between Tamsui and Japan during the Year 1906.

Nationality.	Entered.		Cleared.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Japanese	11	9,264	12	10,187

Annex V.—RETURN of all Shipping engaged in Foreign Trade Entered and Cleared at Keelung during the Years 1904–06.

STEAMERS Entered.

Nationality.	1906.		1905.		1904.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	23	69,892	14	39,713	18	43,618
Japanese	9	26,606	....	....	....	....
United States	5	25,617	4	15,575	2	6,448
German	6	17,258	11	23,201	10	22,463
Dutch	2	4,940	8	7,384	....	....
Other nationalities .....	....	....	1	2,428	2	2,340
Total	45	144,313	33	88,301	32	74,869
Chinese and Japanese junks	222	10,916	261	12,812	403	16,118
Grand total	267	155,229	294	101,113	435	90,987

STEAMERS Cleared.

Nationality.	1906.		1905.		1904.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	23	69,892	14	39,718	19	45,218
Japanese	8	24,757	....	....	....	....
United States	5	25,617	4	15,575	2	6,448
German	6	17,258	11	23,201	10	23,252
Dutch	2	4,940	3	7,884	....	....
Other nationalities .....	....	....	1	2,428	2	2,340
Total	44	142,464	33	83,301	33	77,258
Chinese and Japanese junks	224	10,961	275	13,193	401	16,163
Grand total....	268	153,425	308	101,494	434	93,421

Annex VI.—RETURN of Shipping engaged in Trade between Japan and Keelung during the Years 1904-06.

STEAMERS Entered.

Nationality.	1906.		1905.		1904.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Japanese	254	377,267	97	123,827	62	59,411
British	5	7,506	14	20,799	13	20,987
German	2	2,130	26	32,244	47	65,974
Norwegian	11	12,466	12	10,370	7	7,005
Swedish .....	....	....	8	7,912	....	....
Total	272	399,369	157	195,152	129	153,377

STEAMERS Cleared.

Nationality.	1906.		1905.		1904.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Japanese	250	357,988	82	105,812	62	56,794
British	5	7,506	8	12,768	11	17,814
German	2	2,130	17	23,250	36	49,969
Norwegian	11	11,328	7	4,372	6	6,234
Swedish	6	5,934
Total	268	378,952	120	152,136	115	130,811

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DIPLOMATIC AND CONSULAR REPORTS.

JAPAN.

REPORT FOR THE YEAR 1907

ON THE

TRADE OF NORTH FORMOSA.

EDITED AT THE FOREIGN OFFICE AND THE BOARD OF TRADE.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 8803.

*Presented to both Houses of Parliament by Command of His Majesty,
JUNE, 1908.*

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1908.

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Reference to previous Report, Annual Series No. 3803.

Report on the Trade of North Formosa for the Year 1907

By MR. CONSUL CHALMERS.

Trade of the year.—The total trade of Tamsui and Keelung, in North Formosa, for the year 1907, amounted to 3,603,452*l.* against 3,530,023*l.* in 1906, showing an increase of 73,429*l.* The foreign imports into Tamsui, however, have declined nearly 200,000*l.* as compared with 1906, and the exports also show a decrease of over 118,000*l.* The exports from Keelung to foreign countries, on the other hand, show an increase of about 138,000*l.* The falling-off in foreign exports from Tamsui and the increase in those from Keelung are both explained by the fact that only about 2,500,000 lbs. of Oolong teas were exported from the former port as against over 8,000,000 lbs. in 1906, the bulk of the teas being now shipped from Keelung.

The imports of Keelung from Japan show an increase of nearly 200,000*l.* and the exports from Keelung to Japan an increase of over 100,000*l.* The falling-off in the exports from Tamsui to Japan is principally in the export of rice, the attempt made in 1906 to ship rice from Tamsui to Japan in specially chartered steamers not having proved financially successful.

The following table gives the figures for the trade of Tamsui and Keelung with Japan and foreign countries during the years 1906-07.

COMPARATIVE Table of Imports and Exports at Tamsui and Keelung from and to Japan and Foreign Countries during the Years 1906-07.

rade with—	1906.			1907.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
Foreign countries—						
Tamsui ...	852,220	530,634	1,382,854	661,200	412,552	1,073,752
Keelung ...	93,856	313,919	407,785	90,795	451,679	542,474
Total	946,086	844,553	1,790,639	751,995	864,231	1,616,226
Japan—						
Tamsui ...	13,604	61,237	74,841	14,196	10,427	24,623
Keelung ...	1,093,819	570,724	1,664,543	1,290,422	672,181	1,962,603
Total	1,107,423	631,961	1,739,384	1,304,618	682,608	1,987,226
Grand total	2,053,509	1,476,514	3,530,023	2,056,613	1,546,839	3,603,452

FORMOSA.

In the above table the junk trade with China of the four minor ports, Kiukong, Oulung, Tokaku and Lukong is not included. This trade again shows a falling-off, amounting to 40,513*l.*, the total trade being 101,334*l.* as compared with 141,846*l.* in 1906.

The export of rice from these ports to China was 1,418 tons, valued at 10,247*l.*

The following table shows the figures for the total trade of the whole Island of Formosa, both with Japan and with foreign countries, during the years 1905-07.

TRADE of the Whole Island.

				Foreign Countries.	Japan.	Total.
				£	£	£
1905—						
Imports	...	...	...	1,119,229	1,376,473	2,495,702
Exports	...	...	...	1,092,817	1,394,611	2,487,428
Total	...	...	...	2,212,046	2,771,084	4,983,130
1906—						
Imports	...	...	...	1,300,384	1,595,984	2,896,368
Exports	...	...	...	998,424	1,863,959	2,862,383
Total	...	...	...	2,298,808	3,459,943	5,758,751
1907—						
Imports	...	...	...	1,145,443	2,016,191	3,161,634
Exports	...	...	...	994,229	1,800,206	2,794,435
Total	...	...	...	2,139,672	3,816,397	5,956,069

The trade with various foreign countries may be roughly divided as follows :—

Imports.—China, 40 per cent. ; United Kingdom (figures for Ireland are not given separately), 17 per cent. ; India and the Straits Settlements, 16 per cent. ; United States, 10 per cent.

Exports.—China, 30 per cent. ; United States, 40 per cent. ; Hong-Kong, 20 per cent. ; United Kingdom, 5 per cent.

While the foreign trade of Formosa, both import and export, has remained about stationary for the past 10 years, that is, since 1898, in the same period the export trade to Japan has risen from a little over 400,000*l.* to 1,800,000*l.*, and the imports from Japan have risen from 430,000*l.* to 2,000,000*l.*

Specie and bullion.—The movements of specie and bullion during 1906-07 were as follows :—

From and To—	1906.		1907.	
	Gold.	Silver.	Gold.	Silver.
	£	£	£	£
China and Hong-Kong—				
Imports ... ..	...	2,483	225	34,431
Exports	6,438	216,116	2,517	23,909
Japan—				
Imports	9,830	30,625	69,345	57,677
Exports	191,324	20,417	165,611	32,039

Tariff changes.—From October 1, 1907, a special import duty law came into force, but it refers almost entirely to articles of Chinese consumption imported from China, such as dried fish, vermicelli, ginseng, Chinese paper, &c. One change, which may be of importance to the building trade, is a reduction of the import duty on bricks and tiles (excluding those enamelled) from 1 yen 50 sen (3s.) to 10 sen (2d.) per kin (133 lbs.).

Tonnage dues.—From October 1, 1907, a slight change was made in the tonnage dues, whereby a vessel paying 20 sen (4d.) per ton of her net tonnage at any port can enter that port free of dues for one full year, the ordinary dues being 5 sen (1d.) per ton.

Imports. Kerosene.—The importations of kerosene into the island in 1907 were approximately as follows :—

NORTH FORMOSA.

				Cases.
American oils	...	...	...	99,000
Japanese oils	...	...	...	35,633
Sumatran oils	...	...	...	57,128*
Total	...	...	...	191,761

* Units.

SOUTH FORMOSA.

				Cases.
American oils	...	...	...	90,602
Japanese oils	...	...	...	17,135
Langkat oils	...	...	...	4,754
Total	...	...	...	112,491

NOTE.—For purposes of calculation the case or unit may be taken as 10 gallons.

Deliveries of Sumatra oil.—Deliveries of Sumatras were 58,743 units against 62,275 units in 1906. The deficiency is not in any way due to a falling-off in the popularity of the oil, which is good and

well liked, but to the high price at which it was held in the last quarter of the year, during which period deliveries fell off considerably. But for this the year's business would in all probability have been larger than in 1906. The year opened with Sumatras fetching 2 yen 33 sen (4s. 8d.) per unit, and prices steadily advanced to 3 yen 20 sen (6s. 5d.). American "Comet" was selling at the beginning of the year at 3 yen 30 sen (6s. 7d.) per case, the market closing at 3 yen 90 sen (7s. 10d.). As regards Sumatra, the price is for the naked unit at the installation in Tamsui, while for "Comet" it is per case of 2 tins at Taihoku, the capital.

The consumption of Japanese and American oils and the prices obtained for them are not easily gauged, as oil can be stored in private houses, but it is unlikely that any considerable stocks are carried, and the import for the year practically indicates consumption. Even American consignments are generally small, about 2,000 to 5,000 cases, while Japanese consignments are smaller, from 100 to 500 cases.

Kerosene appears to be used now to some extent for running small machinery, such as rice or sugar machinery.

Opium.—The opium imported during the year was 357,403 lbs. against 581,318 lbs. in 1906. Of this quantity British India supplied 212,133 lbs. No Turkish opium was imported.

The number of opium smokers in December, 1907, was 113,165 natives of Formosa and 772 Chinese subjects. This is an average of 1 smoker in each 27 of the native population and 1 in 13 of the Chinese residents, but there are many secret smokers and the returns cannot be quite correct.

Exports: Camphor.—The distribution of the camphor exported from Formosa in 1907 was as follows :—

To Havre, London and Hamburg.	To America.	To Madras.	Total.
Lbs. 2,452,933	Lbs. 1,635,300	Lbs. 33,833	Lbs. 4,121,566

Of this amount 1,079,733 lbs. (1,046,400 lbs. for America and 33,333 lbs. for Madras) were shipped by local steamers from Keelung for transshipment at Kobe. Thus no camphor was ultimately destined for Japan. It is reported that there has been a large increase in the camphor manufactured by the Camphor Monopoly in 1907 as compared with 1906, the figures being 5,388,918 lbs. as against 4,040,838 lbs., an increase of 1,348,080 lbs.

Hitherto the contract for the export of camphor from Japan and Formosa has been held by a British firm but this will be discontinued, and the Japanese Government intend to enter the foreign markets direct or through the intermediary of one of the leading Japanese firms.

By the latest returns the production of camphor oil shows an increase of over 85 per cent. in 1907, being 6,710,390 lbs. as against 3,610,645 lbs. in 1906. Hitherto all the camphor oil has been shipped to Kobe to be converted into refined camphor, but a refinery is to be erected in Taihoku, the capital of Formosa, at a cost of about 14,000*l.*, and in future the camphor will undergo the necessary process there. It is said that a new method of distillation has been discovered, and that by this method as well as by the saving of expense in transport, a considerable economy will be effected.

Tea. Oolongs.—Much better spring Oolong teas than those of 1906 were put on the market when the season opened in the second week of May, and prices were reasonable. Summer teas were of excellent quality, and in much larger supply as regards high grades than for many years past. Despite this, prices out of all reason were paid for choice teas, and as the demand for such teas is limited, it is probable that there will be some heavy losses. Lower grade teas, owing to lack of rain, were in short supply, and prices during the season ruled high.

Although the statistical position of Oolong tea is sound, the financial crisis in the United States has had a most depressing effect on the market, as buyers will not stock teas with bank interest standing so high as it has done, and this leads to forced sales.

Arrivals for the season were 455,000 half-chests (of 40 lbs.) against 464,800 half-chests in 1906. Shipments to London were 448,644 lbs. against 454,174 lbs. in 1906.

The following tables gives the shipments of Oolongs from Tamsui and from Keelung :—

				1906.	1907.
Shipments of Oolongs from—				Lbs.	Lbs.
Tamsui to Amoy	...	...		8,366,620	2,488,229
Keelung to America—					
Via Pacific	...	...		4,748,280	6,088,667
„ Suez	...	...		4,056,246	7,754,134
Keelung to Japan	...	...		224,531	753,093
Total				17,395,677	17,084,123

The export of tea viâ Amoy has again greatly diminished, and it is probable that next season it will be all shipped from Keelung direct, with the exception of shipments to London and small miscellaneous shipments.

Pouchongs.—Shipments were all from Tamsui to Amoy for distribution to the Straits Settlements and Java. They amounted to 160,000 half-chests against 110,500 half-chests in 1906.

Shipping.—Annexes III to VI show the figures for all shipping entered and cleared at Tamsui and Keelung during the years 1905–07.

Tamsui.—There were no British ships entered or cleared at Tamsui during the year 1907. The weekly service to Hong-Kong has been regularly maintained by the Osaka Shosen Kaisha, also the

bi-monthly service to Foochow. The junk trade with China continues to decline, and 8 small steamers represent the direct trade with Japan.

Keelung.—The shipping engaged in foreign trade entered at Keelung shows a slight increase, but a number of vessels which entered during the year to load bunker coal are not included in the returns. Amongst these there were 5 or 6 British steamers and 1 Japanese steamer which visits Pratas Island about once a month.

Japanese vessels engaged in trade between Keelung and Japan show an increase of 48 vessels and 60,177 tons as compared with 1906, and there were no foreign vessels at all so engaged during the year.

Government railways.—Another section of the through railway line from Keelung to Takow was opened to traffic on February 20, 1908. This is the section from Sansaho to Korisho, a distance of 9 miles, which has involved some very heavy tunnelling and bridging work. There are eight tunnels and three rivers have to be crossed, including the river bed of the Daiankei, which is crossed by a bridge 1,600 feet long and supported by eight spans. Only about 4 miles of the permanent way remains to be opened, and this, it is expected, will take place this year (1908). Meanwhile the journey from the capital to Tainan has been reduced to 12 hours 13 minutes, the distance being 200 miles.

The construction of the line from the capital to So-o viâ Gilan, connecting the west and east of the island, which was successfully surveyed last year, is to be deferred in favour of a new project, which will tend to open up the hitherto uncivilised portions of Taito in the east. The first section to be laid will be between Kwarenko and Bakusekikaku, a distance of 45 miles. This will then be extended south to Taito (Pinan) and north to So-o, and finally the above-mentioned line from the capital to So-o will be constructed.

The long looked for railway hotel at Taihoku is nearing completion, and it is expected that it will be opened in the autumn of 1908.

Keelung harbour works.—The harbour improvement scheme referred to in last year's report is progressing rapidly, and it is expected that the sea walls and quays running from the railway station towards the mouth of the harbour, 1,500 feet long, will in 1908 be sufficiently near to completion to allow of small steamers going alongside. There will be a uniform depth of 30 feet of water along the quays and in the anchorage.

Taihoku water works.—Water works for the capital have for long been engaging the attention of the authorities, and are at last in course of construction. The cost is to cover two fiscal years, 1907-08 and 1908-09, 87,500*l.* being expended in the first year and 102,500*l.* in the second year, the total being 190,000*l.* The water is drawn from a river about 4 miles from Taihoku, and the settling beds, the filtering beds and reservoir have already been constructed. The water is led to the south gate of the city in 20-inch steel pipes,

and will be distributed in iron pipes of from 4 to 14 inches. The pipes are being procured in the United States; of these a quantity has already arrived.

Mines.—There are three gold mines in Formosa, all situated in Keelung Prefecture. The production of gold, silver and copper at these mines in 1907 was as follows :—

Mine.				Gold.	Silver.	Copper.
				Ozs.	Ozs.	Tons.
Kinkwaseki	...	...	...	15,995	9,259	40
Zuiho	...	...	...	11,698	6,151	...
Botanko	...	...	...	14,617	3,758	...

Copper appears for the first time, as hitherto its existence in paying quantities was apparently not detected.

The output of gold and silver for the three years 1905-07 was as follows :—

						Gold.	Silver.
						Ozs.	Ozs.
1905	...	...	...	...	...	52,272	14,862
1906	...	...	...	...	...	48,132	14,882
1907	...	...	...	...	...	42,300	19,168

The slight decrease in gold is said to be due to the inferior quality of the ore, and also to the fact that work was temporarily suspended for alterations and repairs.

Coal.—The coal mines are also situated in Keelung Prefecture. The output for that prefecture in 1907 was 70,433 tons, valued at 35,198*l*.

Rate of wages.—The following table shows the average cost of labour in the capital, according to investigations made by the authorities, in the years 1906-07. There has been a general increase in the rate of wages, principally in the building trades, ranging in some cases as high as 60 per cent. This has been brought about by the combined action of the various guilds, both Japanese and native.

RATE of Wages per Diem.

Occupation.	1906.		1907.	
	Japanese.	Formosan.	Japanese.	Formosan.
	s. d.	s. d.	s. d.	s. d.
Carpenters ...	2 8	1 0	3 0	1 7
Plasterers ...	3 1	1 0	4 0	1 7
Stonemasons ...	3 1	1 7	4 0	2 5
Roofers ...	2 10	1 0	4 0	1 7
Bricklayers ...	3 1	1 0	4 0	2 0
Blacksmiths ...	2 10	1 1	4 5	1 10
Tailors—				
Japanese clothes ...	2 5	...	2 5	...
European clothes ...	3 1	1 2	3 0	1 2
Type-setters ...	1 10	0 10	...	...
Farm labourers ...	...	0 9	...	0 10
Tea manufacturing coolies ...	...	0 9	...	1 0
,, pickers (women) ...	...	0 4	...	0 4
Miners ...	...	1 2	...	1 7
Common labourers...	...	0 9	...	0 10

Population of Formosa.—The following table gives the population of Formosa on December 31, 1906 :—

	Male.	Female.	Total.
	Number.	Number.	Number.
Japanese ...	43,358	27,682	71,040
Natives ...	1,580,603	1,418,611	2,999,214
Chinese and other foreigners ...	9,690	601	10,291
Total...	1,633,651	1,446,894	3,080,545
Savages (estimated) ...	...	...	80,000

Compared with the return for the end of 1904, the Japanese population shows an increase of over 18,000, while the native population has increased by about 80,000.

There entered the island 3,984 Chinese from Foochow and Amoy and 3,372 left during the year under review. The returns show that annually from 500 to 600 Chinese come into and remain in Formosa, these being mostly ordinary carriers, jinrikishamen and daily jobbers. The bulk of the migratory Chinese come to work in the tea trade and return to China when the tea season closes.

The total foreign community, exclusive of Chinese, in the Tamsui Consular district at the end of the year 1907 was 50, of which 14 were American and 31 were British ; of the latter 22 being male and 9 female.

With reference to the pacification of the aborigines of the island, the Civil Governor is reported to have made the following remarks before the Budget Committee in Tokio :—

The Island of Formosa has an area of over 2,300 square ri (14,375 square miles), of which the area occupied by the aborigines measures 7,500 square miles. Of this area 2,500 square miles has been brought under control, but the remainder has to be dealt with, and its population is estimated at 30,000. Against these 30,000 aborigines a body of 5,000 aiyu (border police) is employed, its non-commissioned and commissioned officers being Japanese and numbering 600. The employment of these mixed troops is not a matter of economy only. Experience has amply shown that it is impossible to employ a force of regulars in such regions as those inhabited by these aborigines. The plan pursued is to keep troops in reserve and to employ the aiyu in the van. It would be possible to bring the whole region under subjection in the course of a couple of years, but considerable loss of life and treasure would be entailed. All things duly considered, deliberation seemed the wisest programme, and the Government's intention was to devote five or six years to the task.

Public health.—From the beginning of the year to August 13, there were 1,195 cases of bubonic plague in this Consular district, of which 1,090 proved fatal. Throughout the island there were 2,383 cases and 2,222 deaths. There were few cases after May, and the disease is invariably more prevalent in the first four months of the year, which are wet and cold. This year, 1908, there have been only a few isolated cases in the middle and south of the island, up to the end of February, and it is confidently hoped that the island will shortly be freed of this scourge.

Exchange.—The Japanese yen has been taken as the equivalent of 2s. 0½d.

Annex I.—RETURN of Principal Articles of Import into Tamsui and Keelung during the Years 1906-07.

Articles.	1906.	1907	Average, Five Years 1902-06.	Increase or Decrease in 1907 compared with—		Remarks.
				1906.	Average, Five Years.	
Oil—						
Kerosene	2,473,734	1,926,658	£ 55,359	£ 47,475	£ 58,666	See body of report, page 6
Other kinds ....	....	....	26,403	17,663	20,668	
Opium—						
British India	267,517	212,133	176,167	152,631	122,281	Benares, 182,533 lbs.; Patna, 29,600 lbs.
Persian	146,193	145,270	81,248	79,707	85,878	Years 1905-6 only
Turkish	71,206	....	39,987	....	....	1906 only
Chinese	96,402	....	45,981	....	....
Cotton goods—						
Grey shirtings	1,596,469	1,475,857	16,371	15,319	14,663	Chiefly from United Kingdom, business mostly in native hands
White "	2,386,854	2,282,620	33,582	32,663	26,730	From China
Nankeen cloths	329,294	112,339	6,173	2,163	10,050	From United Kingdom
Cotton sarcons	653,947	496,087	25,748	19,297	21,874	Almost entirely from Japan
Other kinds ....	....	....	39,984	48,821	16,876	From Japan
Piece-goods and cotton tissues	....	....	143,449	121,806	108,490	
Woolen goods—						
Camlets, lastings and crape lastings	160,926	148,684	6,258	6,315	5,258	From United Kingdom
Metals—						
Lead	9,550	6,266	8,201	6,091	4,736	Mostly from United Kingdom
Other, and manufac- tures of	....	....	68,719	89,523	58,178	About 11,000% worth from United Kingdom

RETURN of Principal Articles of Import into Tamsui and Keelung during the Years 1906-07—continued.

FORMOSA.

Articles.	1906.	1907.	Average, Five Years 1902-06.	Increase or Decrease in 1907 compared with—		Remarks.
				1906.	Average, Five Years.	
Machinery ....	...	...	£ 17,275	£ 39,940 +	£ 47,229 +	Mostly from Japan, 4,000L. worth from United Kingdom
Railway materials ..	...	...	10,478	+ 34,327	+ 31,094	26,000L. worth from America, 7000L. worth from United Kingdom, rest from Japan
" sleepers— Provisions— Fish—	90,959	363,507	8,505	+ 28,798	+ 32,535	From Japan
Dried or salted	...	...	28,701	+ 10,675	+ 7,710	
Other ..	...	...	29,983	- 25,784	- 19,416	
Other provisions ..	...	...	61,608	- 19,728	- 12,767	
Rice	3,885	10,393	42,174	+ 59,079	+ 24,961	20,000L. worth from China, the rest from Japan
Sundries—	...	...	18,329	+ 5,810	+ 8,377	
Beans ..	...	...	13,381	+ 2,271	+ 5,007	
Beer	52,298	98,902	15,029	+ 16,630	+ 15,941	1,150,500 lbs., valued at 1,940L., from Hong-Kong, the rest from Japan
Cement ..	...	...	22,903	+ 11,542	+ 17,116	
Clothing and acces- sories ..	...	...	3,743	-	-	This item was principally coke, now made in Keelung
Coal and coke ..	4,424	...	...	...	2,481	

Annex II.—RETURN of Principal Articles of Export from Tamsui and Keelung during the Years 1906-07.

Articles.		1906.		1907.		Average, Five Years 1903-07.	Increase or Decrease in 1907 compared with—		Remarks.
			£		£		1906.	Average, F v Years.	
Camphor	Lbs.	3,719,192	288,169	4,121,266	364,177	315,044	£	£	See body of report, page 7 To Japan only
oil	"	8,541,093	121,635	5,531,962	189,863	113,704	+	+	
Coal	Tons	33,628	14,022	25,976	11,361	12,834	-	-	
Tea—									
Oolong	Lbs.	17,434,989	415,389	17,456,972	425,917	554,716	+	10,529	Almost entirely to Japan To Japan only
Pouchong	"	4,297,238	107,016	4,812,992	119,253	78,057	+	12,237	
Flax, hemp, hemp skin and jute	"	1,869,826	14,679	1,140,313	14,420	11,276	-	259	
Hats	Dozen....	24,056	15,501	27,144	11,070	5,862	-	4,431	
Rice	Tons	51,160	366,845	28,484	250,469	261,268	-	116,376	
Sugar, raw	Lbs.	7,810,033	49,326	6,192,982	42,646	17,862	-	6,680	
Sulphur	Tons	1,816	5,667	1,072	4,158	7,304	-	1,509	
Miscellaneous	" .....	....	78,365	....	113,505	91,084	+	35,140
Total	1,476,514	1,516,339	

Annex III.—RETURN of all Shipping engaged in Foreign Trade
Entered and Cleared at Tamsui during the Years 1905-07.

STEAMERS Entered.

Nationality.	1905.		1906.		1907.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British	21	13,638	6	4,461	....	....
Japanese	18	15,907	94	59,758	89	56,210
German	32	21,393	3	3,438	1	952
Norwegian	31	28,590	5	4,455	2	1,782
Dutch	1	1,085	2	2,172	2	2,353
Total....	103	60,618	110	74,284	94	61,297
Chinese and Japanese junks....	399	19,710	384	16,829	253	13,756
Grand total	502	100,328	494	91,113	347	75,056

STEAMERS Cleared.

Nationality.	1905.		1906.		1907.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British	21	13,638	7	5,353	....	....
Japanese	18	16,766	94	58,946	92	56,891
German	33	22,364	3	3,438	1	952
Norwegian	30	27,700	4	3,564	2	1,782
Dutch	1	1,085	2	2,172	2	2,353
Total....	103	81,553	110	73,473	97	61,978
Chinese and Japanese junks....	413	20,118	395	17,939	271	13,828
Grand total ..	516	101,671	505	91,412	368	75,806

**Annex IV.—RETURN of all Shipping engaged in Foreign Trade
Entered and Cleared at Keelung during the Years 1905-07.**

STEAMERS Entered.

Nationality.	1905.		1906.		1907.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British	14	89,713	23	69,892	23	71,730
Japanese .....	....	....	9	26,606	15	45,645
United States	4	15,575	5	25,617	3	18,585
German	11	23,201	6	17,258	8	24,792
Dutch	3	7,884	2	4,940	1	3,061
Danish	1	2,428	....	....	1	2,750
Norwegian .....	....	....	....	....	1	1,987
Total	33	89,801	45	144,313	52	168,550
Chinese and Japanese junks	261	12,812	222	10,916	143	6,939
Grand total....	294	101,113	267	155,229	195	175,489

STEAMERS Cleared.

Nationality.	1905.		1906.		1907.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British	14	89,713	23	69,892	23	71,730
Japanese .....	....	....	8	24,757	16	47,801
United States	4	15,575	5	25,617	3	18,585
German	11	23,201	6	17,258	8	24,792
Dutch	3	7,884	2	4,940	1	3,061
Danish	1	2,428	....	....	1	2,750
Norwegian .....	....	....	....	....	1	1,987
Total	33	89,801	44	142,464	53	170,706
Chinese and Japanese junks	275	13,193	224	10,961	157	7,139
Grand total....	308	101,494	268	153,425	210	177,845

Annex V.—SHIPPING engaged in Trade between Tamsui and Japan during the Years 1905-07.

	Entered.		Cleared.	
	Vessels.	Tonnage.	Vessels.	Tonnage.
1905—				
Japanese	1	1,016	1	1,016
Norwegian	1	296	1	296
Total	2	1,312	2	1,312
1906—				
Japanese	11	9,264	12	10,137
1907—				
Japanese	8	6,832	8	6,832

Annex VI.—RETURN of Shipping engaged in Trade between Japan and Keelung during the Years 1905-07.

	Entered.		Cleared.	
	Vessels.	Tonnage.	Vessels.	Tonnage.
1905—				
Japanese	97	123,827	82	105,812
British	14	20,799	8	12,768
German	26	32,244	17	23,250
Norwegian	12	10,370	7	4,372
Swedish	8	7,912	6	5,934
Total	157	195,152	120	152,136
1906—				
Japanese	254	377,267	250	357,988
British	5	7,506	5	7,506
German	2	2,130	2	2,130
Norwegian	11	12,466	11	11,328
Total	272	399,369	268	378,952
1907—				
Japanese	302	454,546	288	437,558

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DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1908

ON THE

TRADE OF NORTH FORMOSA.

EDITED AT THE FOREIGN OFFICE AND THE BOARD OF TRADE.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 4041.

*Presented to both Houses of Parliament by Command of His Majesty,
JUNE, 1909.*

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1909.

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(a) JAPANESE Currency with British Equivalents.

Coinage—

10 mo	=	1 rin
10 rin		1 sen
100 sen	...	...	...	...		1 yen

During the year 1908 the rate of exchange for 1 yen (sight drafts on London) was as follows :—

Maximum	...	...	...	=	2s. 0½d.
Minimum	...	...	...		2s. 0¼d.
Average	...	...	...		2s. 0½d.

(27)

▲ 2

(b) WEIGHTS and Measures.

	Japanese.	English Equivalent.
1 ri	2.44 miles
1 ri (marine)	1.15068 miles
1 square ri	5.955 square miles
1 cho (10 tan)	2.45 acres
1 tsubo	3.953 square yards
1 koku (10 to 100 sho, liquid)	39.7 gallons
1 koku (10 to 100 sho, dry)	4.96 bushels
1 koku (capacity of ship)	$\frac{1}{10}$ ton
1 kwan (1,000 momme)	8.2673 lbs. (avoir.)
		10.047 lbs. (troy)

NOTE.—In the Formosan land measure, 1 ko, is practically the equivalent of 1 cho or 2.45 acres.

(c) POPULATION of Tamsui Consular District, 1,927,248.

PRINCIPAL Towns and their Industries.

Towns.	Population.	Industries.
Taihoku (capital)	83,992	Tea, camphor
Tamsui	5,820	Sea port
Keelung	17,797	"
Toen	3,501	Tea, camphor
Shinko	1,230	"
Gilan	14,703	Camphor, rice
So-s	1,151	Sea port
Kiukong	1,104	"
Shinchiku	15,149	Tea, camphor, China grass
Oulung	1,105	Sea port
Bioritsu	4,345	Rice, camphor
Tokaku	9,982	Sea port
Taichu	8,936	Rice, camphor
Rokko	19,442	Sea port
Shoka	15,584	Rice
Nanto	3,226	" camphor
Toroku	4,809	Sugar, rice
Taito (on east coast)	697	Sea port; the district produces camphor

(d) SOURCES of Statistical Material.

The annual customs returns of the trade of Formosa.

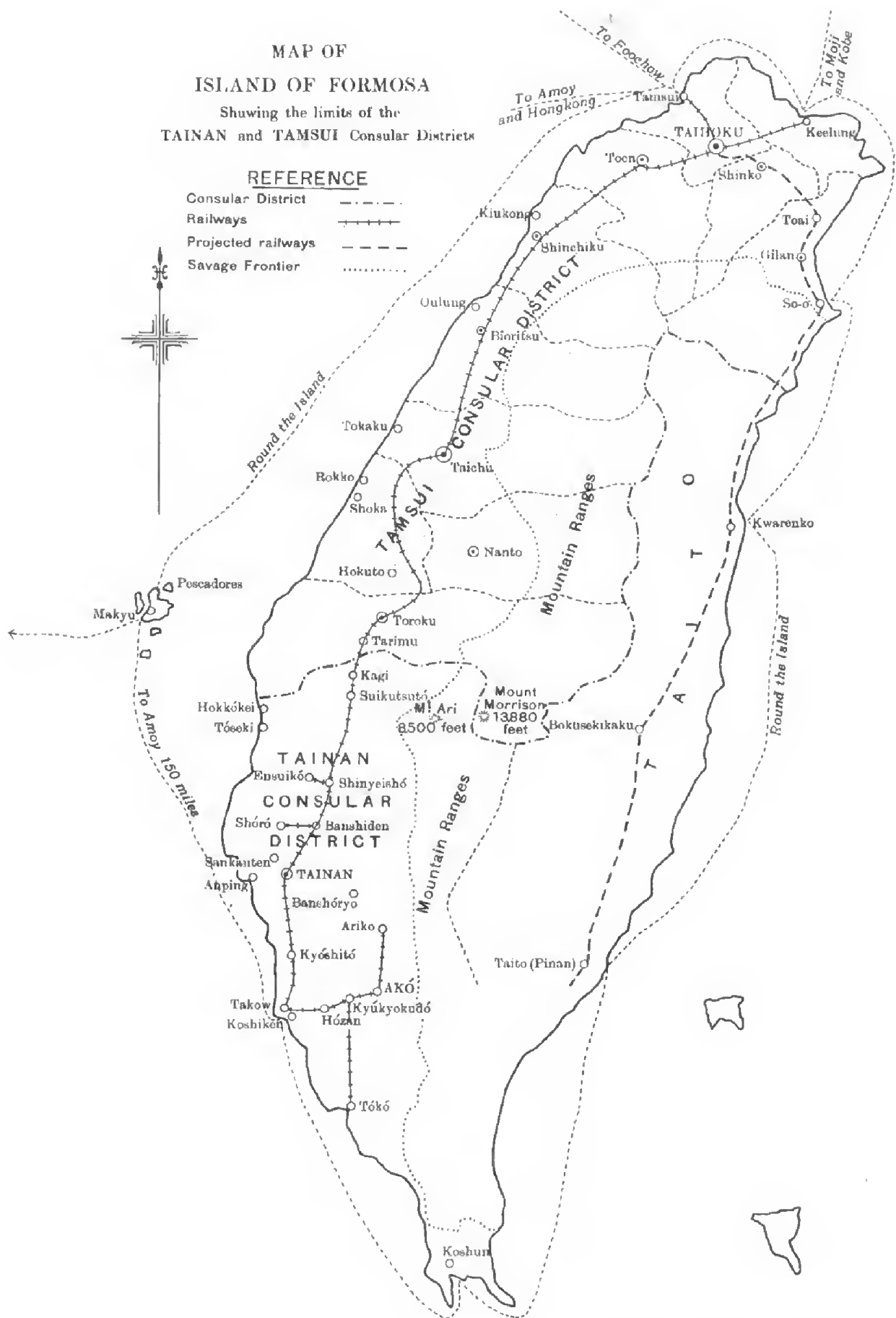
(e) EXCHANGE.

Throughout this report the Japanese yen has been converted into sterling at 2s. 0½d.

MAP OF
ISLAND OF FORMOSA
Shewing the limits of the
TAINAN and TAMSUI Consular Districts

REFERENCE

Consular District	----
Railways	++++
Projected railways	----
Savage Frontier	.....



Ordnance Survey Office, Southampton, 1909.

Reference to previous Report, Annual Series No. 4041.

Report on the Trade of North Formosa for the Year 1908

By MR. CONSUL CHALMERS.

Trade of the year.—The total trade of Tamsui and Keelung, in North Formosa, for the year 1908 amounted to 4,055,965*l.* as against 3,603,452*l.* in 1907, showing an increase of 452,513*l.* Of this increase over 390,000*l.* was in the trade with Japan.

The foreign imports into Tamsui show an increase of about 42,000*l.* as compared with 1907. This is principally in flour from the United States (about 12,000*l.* increase), cotton sateens from the United Kingdom (about 4,000*l.* increase), gunny bags from India (about 8,000*l.* increase) and Chinese paper (about 10,000*l.* increase). There is a decrease in the import of rice and leaf tobacco from China. The exports from Tamsui to foreign countries show a decrease of about 140,000*l.*, chiefly in Oolong teas (which are now shipped at Keelung for the American market) and camphor. There is an increase in the export of Pouchong teas to China.

Foreign imports into Keelung show an increase of about 89,000*l.*, of which amount over 11,000*l.* is in the import of timber from the United States, the remainder being miscellaneous. The exports from Keelung to foreign countries show an increase of about 81,000*l.*—mainly in camphor and Oolong teas.

The increase in the exports from Keelung to Japan, amounting to 349,992*l.*, is principally in the export of rice (about 285,000*l.*).

The following table gives the figures for the trade of Tamsui and Keelung with Japan and foreign countries for 1907-08.

COMPARATIVE Table of Imports and Exports at Tamsui and Keelung from and to Japan and Foreign Countries during the Years 1907-08.

Trade with—	1907.			1908.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Foreign countries—						
Tamsui	661,200	412,552	1,073,752	703,280	272,952	976,212
Keelung	90,795	451,679	542,474	179,745	532,952	712,697
Total	751,995	864,231	1,616,226	883,005	805,904	1,688,909
Japan—						
Tamsui	14,196	10,427	24,623	4,643	...	4,643
Keelung	1,290,422	672,181	1,962,603	1,340,240	1,022,173	2,362,413
Total	1,304,618	682,608	1,987,226	1,344,883	1,022,173	2,367,056
Grand total	2,056,613	1,546,839	3,603,452	2,227,888	1,828,077	4,055,965

The above table does not include the junk trade with China at the four minor ports of Kiukong, Oulung, Tokaku and Lukong (Rokko). The total export from these ports amounted to 52,691*l.* in value, of which about 23,000*l.* was rice and 17,000*l.* was China grass (a species of ramie). The imports were valued at 72,436*l.*, made up of miscellaneous Chinese commodities.

Trade of the island.—The following table shows the figures for the total trade of the whole Island of Formosa with Japan and with foreign countries during the years 1906–08.

TRADE of the whole Island.

				Foreign Countries.	Japan.	Total.
				£	£	£
1906—						
Imports	...	...	...	1,300,384	1,595,984	2,896,368
Exports	...	...	...	998,424	1,863,959	2,862,383
Total	...	...	...	2,298,808	3,459,943	5,758,751
1907—						
Imports	...	...	...	1,145,443	2,016,191	3,161,634
Exports	...	...	...	994,229	1,800,206	2,794,435
Total	...	...	...	2,139,672	3,816,397	5,956,069
1908—						
Imports	...	...	...	1,743,049	2,136,283	3,879,332
Exports	...	...	...	949,158	2,493,221	3,442,379
Total	...	...	...	2,692,207	4,629,504	7,321,711

The trade of the island with various foreign countries may be roughly divided as follows:—

IMPORTS.

	Total. £	Percentage.
China	433,047	24
India and Straits Settlements	133,309	8
United Kingdom	437,018	25
Germany	125,444	7
United States	233,756	13

EXPORTS.

	Total. £	Percentage.
China	326,509	35
Hong-Kong	79,768	8
United Kingdom	43,687	5
United States	464,983	50

Figures for Ireland are not given separately.

The increase of about 600,000*l.* in foreign imports is mainly made up as follows :—

	£
Rails	32,000*
Flour	18,000
Kerosene oil	26,000†
Chinese paper	12,600
Building material, electric apparatus, bridge materials, &c.	53,000
Sugar machinery imported into South Formosa	300,000
* About.	† Nearly.

The foreign exports show a falling-off of 45,000*l.* in spite of an increase of 26,000*l.* in the export of rice and 40,000*l.* in tea. The decrease is mainly in camphor, which, compared with 1907, shows a falling-off of about 90,000*l.* and China grass, which shows a falling-off of 13,000*l.*

In the trade with Japan the exports of the island show an increase of about 690,000*l.* as compared with 1907 ; of this increase 200,000*l.* was in the export of sugar, 420,000*l.* in the export of rice.

Imports from Japan into Formosa show only a slight increase and call for no remark.

Specie and bullion.—The movements of specie and bullion during 1907–08 were as follows :—

From and to—	1907.		1908.	
	Gold.	Silver.	Gold.	Silver.
	£	£	£	£
China and Hong-Kong—				
Imports	225	34,431	370	280,499
Exports	2,517	23,909	1,225	5,727
Japan—				
Imports	69,345	57,677	18,405	...
Exports	165,611	32,039	141,107	31,025

Imports. Kerosene oil.—The imports of kerosene oil during the year were, approximately, as follows :—

	North Formosa. Cases.	South Formosa. Cases.
American	97,150	226,445
Japanese	34,303	5,801
Langkat ... ..	...	39,290
Sumatra	69,079‡	...
Total	200,532	271,536

‡ Units. The unit of oil is the same as the case.

The deliveries of American and Japanese oil, likewise the prices obtained for the same, are not easily ascertainable, for the reason that the oil is stored in private premises, so that returns of clearances

are not available. The deliveries of Sumatra oil amounted to 76,371 units as compared with 58,743 units in 1907. As regards prices, whilst there were no violent fluctuations, there was a gradually hardening tendency during the first half of the year; Comet brand advancing from 3 yen 90 sen (7s. 9d.) to 4 yen 18 sen (8s. 4d.), Sumatra selling steadily on a basis of about 3 yen 25 sen (6s. 6d.) per naked unit deliverable at the Tamsui installation.

Japanese Echigo oils, of which there are many different packings, ranged between 3 yen 20 sen and 3 yen 50 sen (6s. 5d. and 7s.), whilst Bioritsu oil (Formosan) sold at about 3 yen (6s.). The latter, it appears, is mainly disposed of by mixing with other brands.

Metals.—The import of metals and manufactures thereof is unusually large in 1908. The principal item was on account of the importation of iron water pipes for the Taihoku waterworks. These were almost entirely from the United Kingdom, the total import being valued at about 45,000*l*.

Metals and their manufactures imported from Japan were approximately valued at:—

Nails	£
Iron and steel—	
Unmanufactured	29,000
Manufactured	15,000
Other metals—	
Manufactured	16,000
Unmanufactured	23,000

Gunny bags.—A gunny bag factory has been erected at Taichu, but does not appear to be working very profitably, on account of shortage of material. The raw material, *Cochorus bapsularis*, is in demand by the newly established sugar factories in South Formosa for packing purposes, and the local production being short the factory has had to import its raw material from India. The Indian article costs about 18s. to 19s. per 100 lbs. as against about 9s. for the Formosan product.

Exports. Camphor.—The export of camphor in 1908 shows a falling-off of about 33 per cent. as compared with 1907. The distribution of the export for the two years was as follows:—

To—	1907 Lbs.	1908. Lbs.
Hong-Kong, ultimate destination		
Europe	1,804,933	561,600
United Kingdom	548,000	460,000
India via Hong-Kong ... ..	...	4,000
France ... ..	...	278,666
Germany ... ..	...	53,333
United States	588,900	870,400
Japan ... ..	...	536,734
Transhipped at Kobe—		
To United States	1,046,400	...
„ India... ..	33,333	...
Total	4,121,566	2,764,733

The total export to Europe in 1908 was 1,353,599 lbs. as against 2,452,933 lbs. in 1907, showing a decrease of 1,099,334 lbs. The serious decrease in the export of camphor is due principally to the competition of synthetic camphor and the increased export from China, combined with the low price of silver in the latter country.

Oolong tea.—Spring offers of Oolongs, although of poorer quality than last season, opened on a higher basis for the lower grades and the better kinds were in very short supply. There were very few high quality summer teas, and what there were found a ready sale, despite the heavy losses which must have been suffered by the purchasers of large quantities of high grades last season. This season will be remembered for the very small quantity of finest and choice teas produced, just as last season will be for the excessive quantity of the same.

The total export to the United States amounted to 16,250,000 lbs. as against 16,750,000 lbs. last season, and this shortage, coupled with the probability of an import duty being imposed, has caused a sharp rise in the market. Shipments to London have increased from 432,408 to 522,478 lbs., but not so many high grade teas as usual were shipped owing to shortage of these kinds.

It was pointed out in last year's report that in 1908 the export of tea viâ Amoy would in all probability cease, and this has come to pass, nothing being shipped by that route. The shipments for London and "various" were shipped on through bills of lading from here viâ Hong-Kong.

New industry. Peppermint oil.—The production of peppermint oil at Bokusekikaku, in Taito, appears to be attended with success, though the undertaking is in the experimental stage, and the first year's crop was reaped in 1908. There were three crops in the year, the first showing 990 lbs. (avoir.) per acre, the second 3,200 lbs. and the third 2,310 lbs., in all 6,500 lbs. of leaf. This produces about 105 lbs. of peppermint oil, which, valued at 6s. per lb., the average price in Kobe, realises 31l. 10s. per acre; less cost of production, about 20l. per acre. This leaves a net profit of about 11l. or 12l. per acre. The oil is distilled by steam and is said to be of very good quality.

Public works. Irrigation.—In pursuance of an extensive scheme for irrigating the regions most promising for cultivation throughout the island, work was commenced in 1908, and in this connection an electrical power station is being constructed at Chikushimon, in Hozan, South Formosa, which is to cost about 93,000l., covering two years. Also work was commenced on an aqueduct at Shishito in the centre of the island, which is to be completed within the year at a cost of 60,000l. During 1909 the aqueduct at Korisho, Bioritsu, which is to cost 86,000l. will be constructed, also an electrical power station at the same place, of 1,200 horse-power and costing 50,000l. Other minor aqueducts are also in course of construction.

Railways.—The through line from Keelung to Takow was completed and opened on April 20, 1908, though the formal opening ceremony did not take place till October. The total length is 247 miles and the through journey from Taihoku, the capital, to Tainan (200 miles) can now be performed in 10 hours, there being one through train each way daily. The railway hotel at Taihoku was opened in

October and should prove a great convenience to foreigners visiting the island.

The Taito, or East Coast, Railway will be commenced this year, 1909. The sum allotted for this work is, however, very small, being only 10,000*l.* annually for the next four years. The estimated cost of the first section from Bokusekikaku to Kwarenko (45 miles) is 434,568*l.*

Keelung harbour works.—Under the harbour improvement scheme for Keelung, which is to be entirely carried out by the end of 1913, the construction of seawalls, embankments and quays, the dredging of the harbour and land reclamation work are all progressing rapidly. A handsome new railway station has been completed and electric lighting power is to be obtained from Taihoku, a distance of 18 miles. An electric station has been erected and it is expected that the light will be actually installed by April, 1909.

Lighthouses.—In September, 1908, a fixed white temporary light was exhibited on the western extremity of Agincourt Island, about 40 miles out of Keelung, on which a lighthouse is in course of construction. The temporary light is visible in clear weather at a distance of 7 nautical miles, but the permanent light, which will have a radius of 30 miles, should be completed in 1909.

Minerals. Coal.—The following is the coal production for the years 1905–07 in the whole island :—

							Tons.
1905	...	...	...	...	...	...	94,216
1906	...	...	...	...	...	...	101,040
1907	...	...	...	...	...	...	134,180

In 1907 14,286 tons were imported from Japan in addition to the above, and the consumption in the island for the year was :—

						Japanese. Tons.	Formosan. Tons.
Railways	...	...	...	...	...	8,584	9,729
Ships' bunkers	...	...	...	...	...	2,044	57,380
Factories	...	...	...	...	...	3,676	31,411
Total	...	...	...	...	...	14,304	98,520

Of the remaining local production about 26,000 tons were exported to China, and the balance was used for steam launches and domestic purposes. With the opening of the raw sugar mills in the south, the local consumption should increase.

In 1908 the production of coal in the Keelung prefecture, where the best is obtained, amounted to 90,588 tons, valued at 36,113*l.*

Mines.—The output of gold, gold dust and copper for 1908 was as follows :—

						£
Gold	...	...	...	...	Ozs.	42,224 117,378
„ dust	...	...	...	...	„	5,696 1,704
Copper	...	...	...	...	Tons	321 17,323

Population of Formosa.—The following table gives the population of Formosa on December 31, 1907 :—

	Male.	Female.	Total.
Japanese	47,671	30,254	77,925
Natives	1,589,469	1,429,933	3,019,402
Chinese and other foreigners ...	10,599	797	11,396
Total	1,647,739	1,460,984	3,108,723

Savages, approximately, 100,000.

Compared with 1906 the population shows an increase of nearly 7,000, while the native population, which includes Chinese natives and the savages who have amalgamated with them, has increased 20,000; 4,508 Chinese (including a very few other foreigners) entered the island and 3,210 left the island during the year.

The total foreign community, excluding Chinese, in the Consular district of Tamsui at the end of 1908 was 46, of which 9 were American and 31 were British; of the latter 19 being male and 12 female.

Public health.—The cases of plague throughout the island numbered 1,272, with 1,057 deaths from January to July. After July there were only three cases and one death. In the Tamsui Consular district there were 84 cases at Taichu, in the centre of the island, and only one case north of Taichu throughout the year.

Annex 1.—Total Import of Principal Articles into Tamsui and Keelung during the Years 1906-08.

Articles.	1906.	1907.	1908.	1906.	1907.	1908.	1906.	1907.	1908.	Remarks.
Oil—										
Kerosene ...	...	...	...	...	...	...	...	...	...	See page 8
Other kinds ...	...	...	...	...	...	...	...	...	...
Opium—										
British India ...	...	...	...	...	...	...	...	...	...
Persian ...	...	...	...	...	...	...	...	...	...
Turkish ...	...	...	...	...	...	...	...	...	...
Chinese ...	...	...	...	...	...	...	...	...	...
Cotton goods—										
Grey shirtings ...	...	...	...	...	...	...	...	...	...	} Chiefly from United Kingdom ; business mostly in native hands From United Kingdom " Japan and United Kingdom " Japan
White shirtings ...	...	...	...	...	...	...	...	...	...
Nankeen cloths ...	...	...	...	...	...	...	...	...	...
Cotton sateens ...	...	...	...	...	...	...	...	...	...
Other kinds ...	...	...	...	...	...	...	...	...	...
Piece-goods and cotton tissues										
Woolien goods—										
Camlets, lastings and crape	Sq. yards	...	...	...	...	...	...	...	...
Metals—										
Lead ...	...	...	...	...	...	...	...	...	...	" Australia
Other and manufactures of	...	...	...	...	...	...	...	...	...	See page 9
Machinery ...	...	...	...	...	...	...	...	...	...	Mostly miscellaneous from Japan
Railway materials	...	...	...	...	...	...	...	...	...
sleepers	Number	...	...	...	...	...	...	...	...	From Japan

TOTAL Import of Principal Articles into Tamsui and Keelung during the Years 1906-08—continued.

Articles.	1906.	1907.	1908.	1906.	1907.	1908.	Remarks.
Provisions—							
Fish—							
Dried or salted	...	...	...	28,701	39,376	91,588	
Other ...	...	...	...	29,983	4,199	43,595	
Other provisions	...	...	...	61,608	41,880	179,508	
Rice ...	3,885	10,393	3,845	42,174	101,253	54,151	Almost entirely from Japan
Sundries—							
Beans ...	...	...	...	18,329	24,139	19,654	
Beer ...	52,298	98,902	58,048	13,381	15,652	13,688	
Cement	...	...	...	15,029	31,659	61,347	
Clothing and accessories	...	...	...	22,908	34,450	32,165	
Coal and coke ...	4,424	...	224	3,743	...	111	
Drugs—							
Ginseng	13,221	8,386	9,285	13,664	8,765	9,548	Mostly from United States
Other drugs	...	...	...	48,330	33,159	58,470	
Flour ...	65,312	86,538	78,906	38,025	51,346	39,476	Two-thirds from United States, one-third from Japan
Gunny and hemp bags ...	760,007	509,817	866,033	17,993	7,525	15,955	11 000% from India and about 5,000% from Japan
Matches ...	...	...	...	19,073	13,508	9,277	
Miso and soy	...	...	...	13,797	15,292	18,933	
Paper—							
Chinese	...	...	...	23,482	13,713	25,569	
All other kinds	...	...	...	31,342	32,358	51,237	
Pigs ...	12,441	1,980	...	24,767	4,190	...	Mostly from Japan
Porcelain and earthenware	...	...	...	10,021	8,291	14,511	
Saké ...	...	...	...	40,080	38,418	45,507	

Sugar, refined ...	...	...	Cvts.	13,353	23,364	22,128	22,321	32,324	33,877	All from Japan
Tea box boards ...	...	...	...	...	...	...	15,030	10,728	10,633	
Timber ...	...	...	...	...	...	...	108,628	115,763	131,371	
Tobacco and cigarettes...	...	...	...	...	...	...	35,526	23,013	30,121	From Japan
" leaf ...	...	...	Lbs.	3,951,385	2,169,420	2,033,536	66,641	39,229	27,142	
Miscellaneous ...	...	...	...	...	...	...	479,045	536,996	276,198	
Total ...	...	...	...	...	...	...	2,053,509	2,056,613	2,227,888	

Annex 2.—Total Exports of Principal Articles from Tamsui and Keelung during the Years 1906-08.

Articles.	1906.	1907.	1908.	1906.	1907.	1908.	Remarks.
Camphor ...	...	...	...	£	£	£
" oil ...	3,719,192	4,121,266	2,764,733	288,169	364,177	225,880	
Coal ...	3,541,093	5,531,962	6,025,730	121,535	189,863	207,428	To Japan only
Tea—	33,628	25,976	22,786	14,022	11,361	9,668	
Oolong ...	17,434,989	17,456,972	17,134,331	415,389	425,917	436,402	
Pouchong ...	4,297,238	4,812,992	5,517,761	107,016	119,253	146,140	
China grass, hemp, &c.	1,369,826	1,140,313	666,555	14,679	14,420	6,969	This is almost entirely China grass, a species of ramie
Hats ...	24,056	27,144	17,500	15,501	11,070	7,105	
Rice ...	51,160	28,484	75,042	366,845	250,469	535,808	To Japan
Sugar, raw ...	7,310,033	6,192,982	5,003,761	49,326	42,646	37,795	" Japan
Copper ...	...	...	318	...	...	68,297	" Japan; this customs valuation seems excessive
Miscellaneous ...	...	...	...	84,032	117,663	146,585	
Total ...	...	...	...	1,476,514	1,546,839	1,828,977	

**Annex 3.—RETURN of all Shipping engaged in Foreign Trade
Entered at Tamsui during the Years 1906-08.**

Nationality.	1906.		1907.		1908.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British	6	4,461	...	...	...	...
Japanese	94	59,758	89	56,210	90	60,434
German	3	3,438	1	952	...	...
Norwegian	5	4,455	2	1,782	...	...
Dutch	2	2,172	2	2,353	...	...
Total	110	74,284	94	61,297	90	60,434
Chinese junks	384	16,829	253	13,759	223	12,978
Grand total	494	91,113	347	75,056	313	73,412

**Annex 4.—RETURN of all Shipping engaged in Foreign Trade
Entered at Keelung during the Years 1906-08.**

Nationality.	1906.		1907.		1908.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British	23	69,892	23	71,730	35	111,108
Japanese	9	26,606	15	45,645	35	93,824
United States	5	25,617	3	18,585	9	46,102
German	6	17,258	8	24,792	6	14,150
Dutch	2	4,940	1	3,061	2	4,913
Danish ... ..	...	...	1	2,750	...	...
Norwegian ... ..	...	...	1	1,987	1	1,647
French ... ..	...	...	...	...	1	1,991
Total	45	144,313	52	168,550	89	273,735
Chinese and Japanese junks	222	10,916	143	6,939	118	6,014
Grand total	267	155,229	195	175,489	207	279,749

Annex 5.—RETURN of Shipping Entered at Keelung engaged in
Trade with Japan during the Years 1906-08.

Nationality.	1906.		1907.		1908.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Japanese	254	377,267	302	454,546	364	554,049
British	5	7,506
German	2	2,130
Norwegian	11	12,466
Total	272	399,369	302	454,546	364	554,049

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ON THE

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JAPANESE Currency with British Equivalents.

Coinage—

10 mo	=	1 rin
10 rin		1 sen
100 sen	...	...	...	...		1 yen

During the year 1909 the rate of exchange for sight drafts on London was as follows :—

Maximum	...	...	...	2s. 0 $\frac{1}{2}$ d. per yen
Minimum	...	...	...	2s. 0 $\frac{1}{2}$ d. "
Average ...	...	...	...	2s. 0 $\frac{1}{2}$ d. "

WEIGHTS and Measures.

Japanese.	British Equivalents.
1 ri =	2.44 miles
1 ri (marine)	1.15068 miles
1 square ri	5.955 square miles
1 cho (10 tan)	2.45 acres
1 tsubo	3.953 square yards
1 koku (10 to 100 sho, liquid)	39.7 gallons
1 koku (10 to 100 sho, dry)	4.98 bushels
1 koku (capacity of ship)	$\frac{1}{10}$ ton
1 kwan (1,000 momme)	8.2673 lbs.

NOTE.—In the Formosan land measure 1 ko is practically the equivalent of 1 cho or 2.45 acres.

POPULATION of Tamsui Consular District, 1,927,248.

PRINCIPAL Towns and their Industries.

Towns.	Population.	Industries.
Taihoku (capital) ...	83,992	Tea, camphor
Tamsui	5,820	Sea port
Keelung	17,797	"
Toen	3,501	Tea, camphor
Shinko	1,230	"
Gilan	14,703	Camphor, rice
Soo	1,151	Sea port
Kiukong... ..	1,104	"
Shinchiku	15,149	Tea, camphor, China grass
Oulung	1,105	Sea port
Bioritsu	4,345	Rice, camphor
Tokaku	9,982	Sea port
Taichu	8,936	Rice, camphor, sugar
Rokko	19,442	Sea port
Shoka	15,584	Rice, sugar
Nanto	3,226	" camphor
Toroku	4,809	Sugar, rice
Taito (on east coast) ...	697	Sea port: the district produces camphor

SOURCES of Statistical Material.

The annual customs returns of the trade of Formosa.

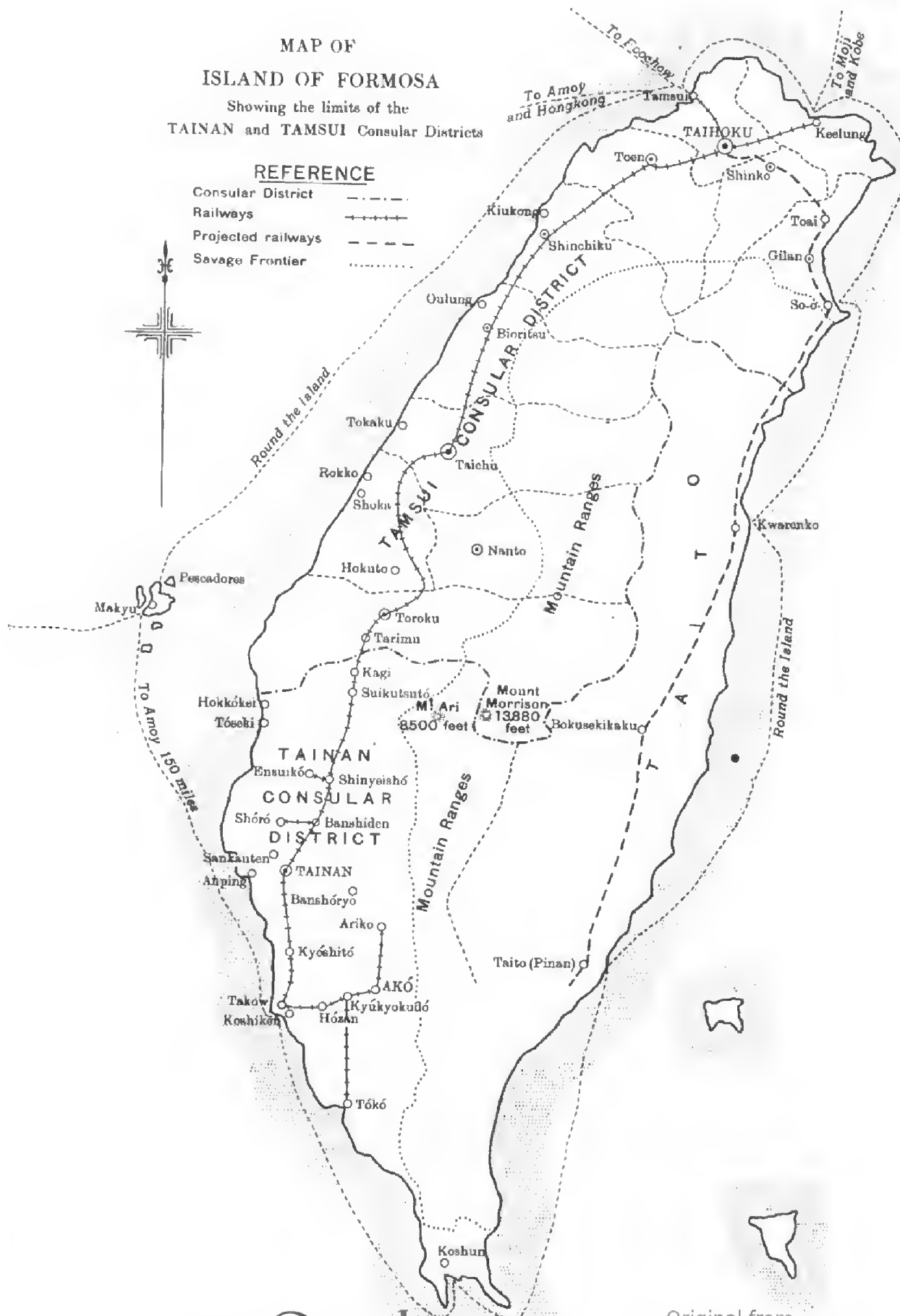
EXCHANGE.

Throughout this report the Japanese yen has been converted into sterling at 2s. 0½d.

MAP OF
ISLAND OF FORMOSA
Showing the limits of the
TAINAN and TAMSUI Consular Districts

REFERENCE

- Consular District -----
- Railways +++++
- Projected railways - - - - -
- Savage Frontier



Reference to previous Report, Annual Series No. 4240.

Report on the Trade of North Formosa for the Year 1909

By MR. ACTING-CONSUL FIRTH.

Total trade.—The total trade of North Formosa for the year 1909 was 4,456,384*l.*; of this amount 4,342,556*l.* passed through the ports of Tamsui and Keelung, an increase of 286,591*l.* as compared with 1908. The remainder, 113,828*l.*, went through Kiukong, Oulung, Tokaku and Rokko, ports which have open anchorages and are only accessible to junks.

Trade of Tamsui and Keelung.—Of the trade of Tamsui and Keelung 1,911,496*l.* is with foreign countries, an increase of 222,587*l.* over the figures of the previous year, and 2,431,060*l.* with Japan, an increase of 64,004*l.*

COMPARATIVE Table of the Imports and Exports of Tamsui and Keelung during the Year 1909.

Trade with—	Imports.	Exports.	Total.
	£	£	£
Foreign countries—			
Tamsui	755,730	413,308	1,169,038
Keelung	66,738	675,720	742,458
Total	822,468	1,089,028	1,911,496
Japan—			
Tamsui	5,895	...	5,895
Keelung	1,448,117	977,048	2,425,165
Total	1,454,012	977,048	2,431,060
Grand total	2,276,480	2,066,076	4,342,556

SUMMARY.

Total trade of—	£
Tamsui	1,174,933
Keelung	3,167,623

(339)

COMPARATIVE Table of the Trade of the remaining Four Open Ports during the Year 1909.

			Exports.	Imports.
			£	£
Kiukong (Japanese : Kyuko)	...	...	5,845	5,794
Oulung (Japanese : Koryo)	...	...	14,048	23,000
Tokaku (Japanese : Tokatsukutsu)	...	...	6,470	13,604
Rokkong (Japanese : Rokko)	...	...	15,383	29,686
Total	...	...	41,744	72,084

The whole of the trade of the above four ports is with foreign countries, principally China.

Proportion of foreign and Japanese trade.—From the above tables it will be observed that 55 per cent. of the trade of the district is with Japan and 45 per cent. with foreign countries.

Exports.—The total exports of the district were valued at 2,107,820*l.*, of which the principal are tea, 620,827*l.*; camphor and camphor oil, 611,356*l.*; rice, 525,431*l.*

Tea.—18,000,000 lbs. of Oolong and 5,500,000 lbs. of Pouchong were shipped during the season, the former being valued at 466,997*l.* and the latter at 153,830*l.* With the exception of 650,000 lbs. shipped to the United Kingdom and 56,000 lbs. to Australia, the whole of the Oolong tea was exported to America.

Oolongs.—Famsui has ceased to be a port for the shipment of Oolongs, practically the whole crop being exported from Keelung, which is a regular port of call for all the Trans-Pacific liners during the tea season. Some 10,250,000 lbs. were shipped to the United States by the Pacific route, approximately 4,500,000 lbs. being in Japanese, 4,000,000 lbs. in American and 1,750,000 lbs. in British bottoms.

The whole of the shipments to the United States viâ the Suez Canal (6,250,000 lbs.) were in British bottoms.

The rates of freight were as follows :—To New York, from Keelung viâ Pacific, $\frac{3}{4}$ *d.* per lb. gross; to New York, from Keelung viâ Suez, 1*l.* 17*s.* 6*d.* per ton (40 cubic feet); to London, from Keelung or viâ Amoy and Hong-Kong, 2*l.* 5*s.* per ton (40 cubic feet).

The Oolong tea export trade is entirely in the hands of three British and five American firms.

The tea season of 1909 opened on May 13. Buying immediately became active, as exporters were anxious to rush forward shipments to America by Trans-Pacific mail steamers, in order to avoid the import duty proposed by the United States Government. This duty was, however, not imposed. June, July and August were very dry months and supplies were consequently curtailed and prices enhanced. During the latter part of the season, supplies were abundant, but prices remained firm. Spring, summer and early autumn teas were considered of fair average quality; those bought late in the season were poor and some of the shipments to America were of very inferior quality.

The crop should have proved a remunerative one to the growers.

This was the first season that vessels loaded at Keelung for London direct.

Pouchongs.—Pouchongs are all shipped from Tamsui by the Japanese Steamship Company which runs a weekly service to Hong-Kong via Amoy and Swatow. Shipments are all made to these three ports, but their ultimate destination is the Malay Peninsula and the Dutch Indies, for consumption by Chinese residents there.

Black tea.—Black tea is being manufactured at the Government Tea Experimental Factory at Anpingchin, the output for the first 10 months of 1909 being given as 40,000 lbs.

Endeavours are being made to compete with Hankow teas in Russia, to which country about 120,000 lbs. were exported.

The same factory produced 120,000 lbs. of Oolongs during the above period. A proposal has been brought forward to turn the factory over to a Japanese company with a capital of 100,000.

Camphor.—The shipments of camphor—a Government monopoly—were as follows :—

	Lbs.
Germany	2,465,600
United States	1,908,000
France	1,344,900
United Kingdom... ..	759,000
Other countries	193,160
Total	<u>6,670,660</u>

Owing to the lowering of the price of camphor, in order to drive Foochow and synthetic camphor from the market, profits from the monopoly were small.

Camphor oil.—The output of camphor oil was 4,795,907 lbs., all of which was shipped to Japan for manufacture into camphor; the yield of camphor being about 40 per cent. of the weight of the oil.

The vigorous action which the Government propose to take, during the next few years, against the savages in the interior will result in enormous tracts of forest abounding in camphor trees being brought under control.

The supply of trees in the settled districts is steadily diminishing, but plantations are being made in suitable localities.

The Government Monopoly Bureau is stated to have restricted the output of camphor and camphor oil for 1910 to 6,670,000 and 7,330,000 lbs. respectively.

The recent establishment of two celluloid factories in Japan will doubtlessly favourably affect the camphor industry in Formosa.

The distillation of camphor from leaves is still in the experimental stage.

Rice.—80,000 tons of rice were exported during the year, the whole amount being shipped to Japan from Keelung.

Sugar.—Upwards of 6,000,000 lbs. of sugar, valued at about 50,000, were exported to Japan; the majority of this is brown sugar.

A considerable quantity of land along the west coast is being brought under sugar cultivation. The climatic conditions of the north of the

island compare unfavourably with those of the south as far as the cultivation of sugar is concerned.

In the prefecture of Taichu, which is the only part of this Consular district enjoying climatic conditions similar to those of the south, there are 17 improved style brown sugar mills, with a daily crushing capacity of from 40 to 150 tons of cane each. The percentage of sugar obtained is about $8\frac{1}{2}$ per cent. Several of these mills will be closed when the large modern-style mills, with vacuum boilers, centrifugals, &c., of two large companies recently established, commence operations. The daily crushing capacity of each of these new mills will be 750 tons.

In the prefecture of Shinchiku there is one modern style mill and 23 improved style brown sugar mills, and in Taihoku prefecture four improved style mills.

The Taihoku Sugar Mill Company will, at an early date, commence the construction of a modern style mill, with a crushing capacity of 500 tons of cane.

Coal.—Coal, valued at 9,685*l.*, was exported, practically the whole amount going to China from Tamsui. Keelung is a coaling port for steamers on the Japan-Formosan lines, and foreign-going vessels occasionally take in bunker coal there.

The neighbouring mines yield considerable quantities of good steaming coal.

Sulphur.—About 3,500*l.* worth of sulphur was shipped from Tamsui to Hong-Kong.

The hills in the vicinity of Tamsui contain large quantities of this article, but are at present only worked in a few places.

Imports.—The import trade of the district amounted to 2,276,480*l.*, the principal items being :—Cotton goods, 347,338*l.* ; opium (a Government monopoly), 242,891*l.* ; metals, metal manufactures, 126,019*l.* ; timber, 124,704*l.* ; and dried fish, 93,450*l.*

About two-thirds of the imports are from Japan—opium, kerosene, cotton goods and leaf tobacco being the only ones of any importance from foreign countries.

There is practically no import of raw materials to the island.

Cotton goods.—Under this heading the leading items are white shirtings (40,491*l.*), cotton sateens (34,998*l.*), grey shirtings (16,886*l.*); 90 per cent. of the first mentioned and the whole of the last two coming from the United Kingdom.

In all cases there is a slight increase on the figures for the previous year.

Piece-goods, valued at 42,330*l.*, were imported from Japan.

Opium.—The opium import was as follows :—

						Lbs.	£
Persia	...	...	...	...	...	200,605	144,627
British India	...	...	...	...	...	133,919	94,412
Turkey	...	...	...	...	...	750	3,852
Total						335,274	242,891

Metal and metal manufactures.—Of the 126,019*l.* worth of metal and metal manufactures imported, 107,788*l.*—consisting largely of iron pans and miscellaneous articles—are from Japan.

Timber.—Timber, valued at 124,704*l.*, was imported from Japan, principally for building purposes. Although the interior of Formosa contains large forests of valuable timber, which will be available when the construction of railways into the mountains is effected, supplies are at present somewhat limited and it is cheaper to ship from Japan.

Other imports from Japan.—The following articles are practically entirely imported from Japan :—

	£
Fish, dried and salted	93,405
Saké	42,722
Cement	41,332
Clothing, &c.	36,656
Sugar, refined	34,670

Other imports from foreign countries.—The following are chiefly imported from foreign countries :—

	£
Kerosene	48,765
Leaf tobacco	36,870
Gunny bags	14,280
Tea box boards	10,180

The import of provisions (92,810*l.*) and drugs (52,735*l.*) is divided almost equally between Japan and foreign countries.

Government monopolies.—From the annexed statistical tables it will be observed that the Government monopolies—camphor and opium—account for 611,356*l.*, or 30 per cent. of the exports, and 242,891*l.*, or 10 per cent., of the imports respectively.

Openings for imports.—Extensive electrical supply, harbour, irrigation and water works are in progress, and light railways will probably in a short time be laid into the interior.

There is likely to be a considerable demand for the machinery and materials necessary for such undertakings.

Practically all these works are being carried out by the Department of Public Works of the Formosan Government.

The only private enterprise of any importance requiring machinery, rails, &c., is sugar planting and milling; modern style mills are being established throughout the island. There has been strong competition between American, British and German manufacturers for the supply of sugar machinery.

Large quantities of German light rails were imported during 1909.

Fertilisers.—It was expected that large supplies of phosphates would be obtainable from Pratas Island and work was commenced there by a Japanese subject, but abandoned on the intervention of the Chinese Government. During the time it was worked the quantity and quality of the deposits did not fulfil expectations.

Tobacco and rubber.—Experiments in growing tobacco and rubber are being made by the Government. Small quantities of wild rubber collected in the mountains have been shipped to Japan.

Shipping.—Practically the whole shipping business of North

Formosa is now transacted at Keelung, the only trade at Tamsui, apart from junks to and from China, being a weekly Japanese steamer to Hong-Kong viâ Amoy and an occasional light-draught tank steamer bringing Sumatra oil.

Keelung is the port for all shipping between North Formosa and Japan.

The Nippon Yusen Kwaisha and Osaka Shosen Kwaisha each run a weekly service with vessels of about 6,000 tons, having excellent accommodation for passengers between that port and Kobe.

These companies have also several other smaller passenger and cargo steamers on the same line.

As already stated, all the large Trans-Pacific lines make Keelung a port of call during the tea season, coming in about once a week, and the Peninsula and Oriental Steamship Company's steamers call at regular intervals for tea for London.

Shipping subsidies.—The following subsidies, amounting in all to 93,700*l.*, are granted by the Japanese Government for 1910 in connection with the Formosa trade (gross tonnage is given in each case):—

	Subsidy. £	Remarks.
Kobe-Keelung—		
Nippon Yusen Kwaisha (Japan Mail Steam- ship Company)	11,850	These subsidies are granted in respect of two steamers, the Nippon Yusen Kwaisha "Shinano Maru," 6,400 tons, and the Osaka Shosen Kwaisha "Sakura Maru," 3,200 tons, each making a fortnightly round trip. Both companies, however, run another steamer on the same line so that the actual service is a weekly one
Osaka Shosen Kwaisha (Osaka Steamship Company)	22,400	
Takao-Yokohama—		
Osaka Shosen Kwaisha	12,750	Two steamers of 2,700 and 3,300 tons respectively, once a month each
Formosa coast (round the island)—		
Osaka Shosen Kwaisha	15,100	Two ships of 1,560 tons, each of which go round the island three times a month
Tamsui, Amoy, Swatow, Hong-Kong—		
Osaka Shosen Kwaisha	10,400	Weekly, with two steamers of 1,500 tons
Anping, Amoy, Swatow, Hong-Kong—		
Osaka Shosen Kwaisha	4,500	Fortnightly service, one vessel of 1,800 tons
China coast (Hong-Kong- Shanghai)—		
Osaka Shosen Kwaisha	16,700	Three times a month, with two steamers of 1,800 tons

No foreign vessels are now engaged in the trade between Formosa and Japan or China.

Lighthouses.—The erection of a permanent first class flashlight on Agincourt Rock has considerably facilitated the navigation between Keelung and Japan.

Telegraph cable.—It is proposed to supplement the existing cable between Kagoshima, in the south of Japan, and Keelung, with one between Nagasaki and Tamsui, frequent interruptions on the former line having caused great inconvenience.

Work will be commenced in 1910, the necessary appropriation having been voted.

Harbour works. Keelung.—720 feet of quayage, with 30 feet of water at low tide, has now been completed, but only passenger steamers are allowed to come alongside.

Extensive dredging operations are in progress and the harbour has ample accommodation for steamers drawing 30 feet.

Tamsui.—A little dredging has been done during the year in the Tamsui River, but practically no improvement has been effected. Vessels drawing more than 14 feet cannot pass the bar.

Immigration.—4,343 Chinese labourers arrived at and 3,404 left Formosa viâ Tamsui during 1909.

Gold mining.—Three Japanese companies are engaged in gold mining in the neighbourhood of Keelung. The purchases of gold by the Keelung branch of the Bank of Taiwan during 1909, which represent practically the whole amount mined, were 108,000%.

Annex 1.—TOTAL Import of Principal Articles into Tamsui and Keelung during the Years 1907-09.

Articles.	1907.	1908.	1909.	1907.	1908.	1909.
				£	£	£
Oil—						
Kerosene	1,926,658	2,042,147	1,623,555	47,475	50,688	48,765
Other kinds	...	...	...	17,663	54,675	5,412
Opium—						
British India	212,133	141,547	133,919	152,631	99,078	94,412
Persian	145,270	210,212	200,605	79,707	133,921	144,627
Turkish	...	504	750	...	383	3,852
Cotton goods—						
Grey shirtings	1,475,857	1,756,653	1,884,306	15,319	16,329	16,886
White shirtings	2,282,620	2,637,798	199,661	32,653	33,869	40,491
Nankeen cloths	112,339	...	235,449	2,163	...	3,775
Cotton sateens	496,087	761,611	1,028,965	19,297	24,033	34,998
Other kinds	...	...	...	48,821	60,076	204,127
Piece-goods and cotton tissues	...	...	...	121,806	160,048	47,061
Woollen goods—						
Camlets, lastings and crape	148,684	163,385	174,115	6,315	6,416	6,859
Metals—						
Lead	6,266	5,879	4,505	6,691	4,679	3,493
Other and manufactures of	...	...	...	89,623	169,352	117,356
Machinery	...	...	...	57,215	103,435	598
Railway materials	...	...	...	44,805	7,403	4,572
" sleepers	363,507	93,479	145,600	37,303	9,871	18,132
Provisions—						
Fish—						
Dried and salted	...	...	...	39,376	91,588	93,450
Other	...	...	...	4,199	43,595	16,206
Other provisions	...	...	...	41,880	179,508	92,810
Rice	10,393	3,845	4,341	101,253	54,151	46,766

[illegible]

Annex 2.—TOTAL Export of Principal Articles from Tamsui and Keelung during the Years 1907-09.

Articles.		1907.	1908.	1909.	1907.	1908.	1909.
Camphor	... Lbs.	4,121,266	2,764,733	6,670,666	£ 364,177	£ 225,880	£ 446,902
" oil	... "	5,531,962	6,025,730	4,795,907	189,863	207,428	164,454
Coal	... Tons	25,976	22,786	22,461	11,381	9,688	9,685
Tea—							
Oolong	... Lbs.	17,456,972	17,134,331	18,145,377	425,917	436,402	466,997
Pouchong	... "	4,812,992	5,517,761	5,611,021	119,253	146,140	153,830
China grass, hemp, &c.	... "	1,140,313	666,855	423,289	14,420	6,969	4,343
Hats	... Dozen	27,144	17,500	56,629	11,070	7,105	2,149
Rice	... Tons	28,484	75,042	80,199	250,469	535,808	525,431
Sugar, raw	... Lbs.	6,192,982	5,003,761	6,127,545	42,646	37,795	49,191
Copper	... Tons	...	318	7	...	68,297	329
Miscellaneous	... "	...	...	...	117,663	146,585	242,765
Total	...	...	...	...	1,546,839	1,828,077	2,066,076

Annex 3.—RETURN of all Shipping engaged in Foreign Trade Entered at Tamsui during the Years 1907-09.

Nationality.	1907.		1908.		1909.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Japanese	89	56,210	90	60,434	81	59,353
German	1	952	...	...	5	5,382
Norwegian	2	1,782	...	...	1	1,220
Dutch	2	2,353	...	...	5	3,338
Total	94	61,207	90	60,434	92	69,293
Chinese and Japanese junks... ..	253	13,759	223	12,978	282	16,668
Grand total ...	347	75,056	313	73,412	374	85,961

Annex 4.—RETURN of all Shipping engaged in Foreign Trade Entered at Keelung during the Years 1907-09.

Nationality.	1907.		1908.		1909.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British	23	71,730	35	111,108	34	111,295
Japanese	15	45,645	35	93,824	28	91,047
American	3	18,585	9	46,102	7	56,530
German	8	24,792	6	14,150	...	...
Dutch	1	3,061	2	4,913	...	...
Danish	1	2,750	...	...	...	...
Norwegian	1	1,987	1	1,647	...	...
French ... ..	...	...	1	1,991	...	...
Total	52	168,550	89	273,735	69	258,872
Chinese and Japanese junks... ..	143	6,939	118	6,014	132	5,504
Grand total ...	195	175,489	207	279,749	201	264,376

Annex 5.—RETURN of Shipping Entered at Keelung engaged in Trade with Japan during the Years 1907-09.

Nationality.	1907.		1908.		1909.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Japanese	302	454,546	364	554,049	368	606,452

REPORTS of the Annual Series have been recently issued from His Majesty's Diplomatic and Consular Officers at the following places, and may be obtained from the sources indicated on the title-page:—

		Price			Price
ABYSSINIA ...	4357 Abyssinia. Trade, 1907-08 ...	1½d	JAPAN ...	4392 Yokohama. Trade, 1908 ...	2½d
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AUSTRIA- ...	4367 Austria-Hungary. Finances, ...			4490 Tainan. Trade, 1909 ...	2½d
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	merce, 1908 ...	4d		4465 Salina Cruz. Trade, 1909 ...	1d
	4429 Hungary. Trade, 1908-09 ...	2½d		4494 Mexico. Trade, 1909 ...	3½d
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CHINA ...	4432 Ichang. Trade, 1909 ...	4d		4398 Resht and Astarabad. Trade, ...	6d
	4438 Chefoo. Trade, 1909 ...	4½d		1907-09 ...	6d
	4440 Newchwang. Trade, 1909 ...	3d		4437 Bunder Abbas, &c. Trade and ...	4d
	4442 Nanking. Trade, 1909 ...	3d		Commerce, 1908-09 ...	4d
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COLOMBIA ...	4195 Santa Marta. Trade, 1908 ...	1d		merce, 1909 ...	3d
	4100 Cartagena. Trade, 1908 ...	1d		4470 Lisbon. Trade, 1909 ...	2d
COREA ...	4475 Corea. Trade, 1908 ...	2½d		4486 Oporto. Trade and Com- ...	1½d
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	&c. ...	2½d		4452 Vladivostok. Trade, 1908-09 ...	3½d
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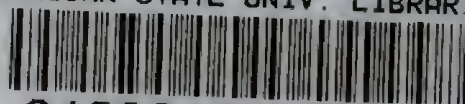
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